

**Press Release**  
**H V Constructions**  
**May 08, 2024**



**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.50	ACUITE BB-   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	13.50	-	ACUITE A4   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	15.00	-	-

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE BB- (read as ACUITE double B minus)**' from '**ACUITE BB (read as ACUITE Double B)**' and short-term rating to '**ACUITE A4 (read as ACUITE A four)**' from '**ACUITE A4+ (read as ACUITE A four plus)**' on the Rs. 15 Cr. bank facilities of H V Constructions.

This rating is now flagged as issuer not cooperating on account of information risk and is based on best available information and is downgraded on account of information risk.

**About the Company**

Mumbai based H V Constructions was incorporated as a proprietorship in 1996 by Mr.Vastupal Lakhani. It was converted into a partnership firm in 2014. The partners are Mr.Vastupal Lakhani and Mrs. Deepika Mehta. The firm is also managed by Mr. Hiten Lakhani. The firm is engaged in construction of bridges, roads, gardens etc

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower**

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**Limitation regarding information availability**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon.

**Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon.

**Outlook: Not Applicable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	42.83	52.31
PAT	Rs. Cr.	2.16	2.57
PAT Margin	(%)	5.03	4.91
Total Debt/Tangible Net Worth	Times	0.83	0.64
PBDIT/Interest	Times	3.06	3.51

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Investment Trust (InvIT): <https://www.acuite.in/view-rating-criteria-72.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Feb 2023	Cash Credit	Long Term	1.50	ACUITE BB   Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	13.50	ACUITE A4+ (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	13.50	ACUITE A4   Downgraded   Issuer not co-operating* ( from ACUITE A4+ )
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.50	ACUITE BB-   Downgraded   Issuer not co-operating* ( from ACUITE BB )

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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