



Press Release

VISHVARAJ INFRASTRUCTURE PRIVATE LIMITED (ERSTWHILE VISHVARAJ INFRASTRUCTURE LIMITED)

June 30, 2025

Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.00	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	50.00	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	63.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of ‘**ACUITE BBB-**’ (read as **ACUITE triple B minusa**) and short-term rating of ‘**ACUITE A3**’ (read as **ACUITE A three**) on the Rs.63.00 Cr. bank facilities of Vishvaraj Infrastructure Private Limited (VIPL) (Erstwhile Vishvaraj Infrastructure Limited). The outlook is ‘**Stable**’.

Rationale for Rating Reaffirmation

The rating reaffirmation factors in the subdued operating performance albeit improving profitability margins. The rating also factors in benefits derived being part of the ‘Vishvaraj Group’, extensive management experience in the construction industry and comfortable financial risk profile. The rating, however remained constrained on account working capital intensive operations and cyclical in construction industry.

About the Company

Vishvaraj Infrastructure Private Limited (Erstwhile Vishvaraj Infra Structure Limited) (VIPL), is a part of the Vishvaraj Group, which was incorporated in 1992 as Vishvaraj Housing Company Private Limited (VHCPL). During 1999, VHCPL was acquired by Mr. Arun Lakhani and Mrs. Vandana Lakhani and reconstituted as a closely held public limited company in 2000. VIPL is headquartered at Nagpur with its registered office in Mumbai, Maharashtra. VIPL invests in Public Private Partnership (PPP) infrastructure projects and is also engaged in Execution, Procuring and Construction (EPC) work for the same projects. VIPL primarily executes infrastructure development projects in three segments i.e. water, wastewater management and road and highways procured by the Vishvaraj Group of Companies. The current directors include Mr. Arun Hanumandas Lakhani and Mr. Sidhaartha Arun Lakhani.

About the Group

Vishvaraj Environment Private Limited (VEPL), incorporated in 2008, is a Nagpur based company primarily engaged in construction and operation and maintenance of water and wastewater infrastructure projects – water treatment plants and sewage treatment plants. Part of the Vishvaraj Group of companies, VEPL is the flagship

company of the group and as on date handled operation and maintenance of 27 drinking water treatment plants (WTPs) with a total capacity of 228 Cr litres per day and 15 Sewage treatment plants (STP) with a capacity of total 53 Cr litres per day. The Vishvaraj Group is ultimately promoted by Mr. Arun Lakhani and family through their investment arm Premier Financial Services Limited (PFSL).

Unsupported Rating

ACUITE BB/Stable

Analytical Approach

Acuite has considered standalone business and financial risk profile of VIPL and has notched up the standalone rating of VIPL by factoring in the operational and financial linkages and support between VIPL and its group entities.

Key Rating Drivers

Strengths

Experienced management and long track record of operations

Incorporated in 1992, VIPL is managed by Mr. Arun Lakhani along with a team of well qualified and experienced professionals. The team lead by Mr. Arun Lakhani has been in the construction industry for more than two decades. VIPL is a part of Vishvaraj Group, which is primarily engaged in the infrastructure development business under Public Private Partnership (“PPP”) model in Road and Highways, Water & Waste Water sectors. The Group is owned by Mr. Arun Lakhani and his family vide their holding arm Premier Financial Services Limited (PFSL). VIPL is primarily engaged in undertaking EPC contracts for its group entity Vishvaraj Environment Private Limited (VEPL) (rated ACUITE A-/A2+ Withdrawn) in the water and waste water segment. It also has investments in the SPVs of the group belonging to the Road and Highways segments. VIPL earns revenue from undertaking operation and maintenance activity from these SPV projects.

Subdued operating performance albeit improving profitability margins

The operating income of VIPL stood at Rs. 78.44 crore in FY2025 (Prov.) as against Rs. 79.72 crore in FY2024. The company earns revenue from two segments: Contract revenue and Trading sales. Contract revenue refers to income earned on execution of contracts received from group entities to carry out operation and maintenance or construction of EPC projects while trading sale refers to the purchases made on behalf of requirements of VEPL and thereafter sold to VEPL. VIPL’s operating profitability recorded an improving trend as it stood at 36.83 percent in FY2025 (Prov.) as against 15.53 percent in FY2024 and 17.94 percent in FY2023. PAT margins stood at 25.88 percent in FY2025 (Prov.) as against 9.61 percent in FY2024 and 8.21 percent in FY2023. The company receives higher margins through OEM projects. Acuite believes, the operating performance of the company would improve steadily on account of execution of OEM projects.

Comfortable Financial Risk Profile

The financial risk profile of the company is moderate marked by moderate net-worth, low gearing and comfortable debt protection metrics. The tangible net-worth of the Company stood at Rs.181.84 Cr. as on March 31, 2025 (Prov.) as against Rs.161.54 Cr. as on March 31, 2024. The total debt stood at Rs. 102.68 Cr. as on March 31, 2025 (Prov.) is loan from group entities/related parties. The overall gearing of the Company stood at 0.56 times as on March 31, 2025 (Prov.) as against 0.62 times as on March 31, 2024. The debt protection metrics is modest marked by interest coverage ratio of 14.56 times in FY2025 (Prov.) as against 6.72 times in FY2024. NCA to Total Debt and Debt to EBITDA ratio stood at 0.20 times and 3.48 times for FY2025 (Prov.) as against 0.62 times and 7.80 times for FY2024 respectively. Acuite believes, that the financial risk profile of the company would remain comfortable in the medium term on the back of absence of long term debt.

Weaknesses

Working capital intensive operations

The operations of VIPL are working capital intensive in nature marked by gross current assets (GCA) of 295 days as on March 31, 2025 (Prov.) as against 278 days as on March 31, 2024. The GCA days are elongated on account of stretched receivables which stood at 203 days as on March 31, 2025 (Prov.) as against 182 days as on March 31, 2024. The high receivables are mainly dues from related parties/group entities. VIPL is an EPC player and for this industry, majority of revenue is generated post the completion of monsoon season in September. The Company maintains inventory of 25-40 days which largely includes trading stock. The creditor days including dues payable to sub-contractors and raw material supplying entities, stretched to stood at 33 days as on March 31, 2025 (Prov.) as against 105 days as on March 31, 2024. Further, the average utilisation of fund based limits stood moderate at ~42 percent and for non-fund based ~49 percent for last six months ended May 2025. Acuite believes, the operations of the company would remain working capital intensive over the medium term due to its nature of business.

Susceptibility to cyclical and intense competition in civil construction industry

Construction industry is cyclical by nature and is also prone to economic downturns and the group, like other players in the industry, will remain susceptible to these trends. The group has presence in highly competitive and fragmented civil construction industry with large number of small players also restricts pricing flexibility for players resulting in pressure on its margins.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the “CE” suffix)

VIPL receives major EPC and trading contracts from its group companies i.e Warora-Chandrapur-Ballarpur Toll Road Limited (WCBTRL), Malegaon Manmad Kopargaon Infrastructure & Toll Road Pvt Ltd (MMKITRPL) and Vishvaraj Environment Private Limited. Vishwaraj Infrastructure Private Limited (VIPL) being part of Vishvaraj group gets benefits in terms of business as well as funding support.

Stress case Scenario

Acuite believes that, given the adequacy of the strategic and financial support by Vishvaraj Group in the form of contracts and funding, VIPL will be able to service its debt on time, even in a stress scenario.

Rating Sensitivities

- Sustain improvement in revenues and profitability
- Changes in financial risk profile
- Deterioration in working capital cycle
- Extent of support from the group companies

Liquidity Position

Adequate

The liquidity position of VIPL is adequate marked by moderate net cash accruals against nil repayment obligations. The net cash accruals of the Company stood at Rs. 20.72 Cr. and Rs. 8.08 Cr. for FY2025 (Prov.) and FY2024 respectively against negligible repayment obligations. The net cash accruals are estimated to range between Rs. 16-23 Cr. during the period FY26-27 against negligible repayment obligations. Further, cash flow support in the form of dividends from investments in group entities is also expected in the near to medium term. The gross current asset days stood at 295 days as on March 31, 2025 (Prov.). The average utilisation of fund based limits stood moderate at ~42 percent and for non-fund based ~49 percent for last six months ended May 2025.

Acuité believes that the liquidity of the company is likely to remain adequate over the medium term on account of sufficient expected cash accruals against no debt repayments.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	78.44	79.72
PAT	Rs. Cr.	20.30	7.66
PAT Margin	(%)	25.88	9.61
Total Debt/Tangible Net Worth	Times	0.04	0.06
PBDIT/Interest	Times	14.56	6.72

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.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. Acuite'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Apr 2024	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A3 (Reaffirmed & Withdrawn)
	Bank Guarantee	Short Term	50.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	12.00	ACUITE BBB- (Reaffirmed & Withdrawn)
02 Jan 2023	Bank Guarantee (BLR)	Short Term	75.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A3 Reaffirmed
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE BBB- Stable Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company Name
1	Vishvaraj Infrastructure Private Limited (Erstwhile Vishva Raj Infrastructure Limited)
2	Vishvaraj Environment Private Limited

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Anuja Bele Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.