

March 27, 2020

Velko Infratek Projects Private Limited: Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	4.00	4.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB(Stable) and continues to remain under 'Issuer Not Cooperating' category
Long Term - Non Fund Based	15.00	15.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB(Stable) and continues to remain under 'Issuer Not Cooperating' category
Long Term / Short Term - Unallocated	1.00	1.00	[ICRA]B+(Stable)/[ICRA]A4 ISSUER NOT COOPERATING*; Long term Rating downgraded from [ICRA]BB(Stable)/A4 and continues to remain under 'Issuer Not Cooperating' category
Total	20.00	20.00	

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating is downgraded because of lack of adequate information regarding Velko Infratek Projects Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Velko Infratek Projects Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company

Founded in 1973 as a sole proprietorship under the name of Velagapudi Ramarao, the name of the entity is changed to Velko Infratek Projects Private Limited in January 2014. The company is a special class contractor for Andhra Pradesh government and has executed several projects for various government departments and municipalities in the past like Vijayawada Municipal Corporation, Public Health Department, A.P Transco, NABARD (National Bank of Agriculture &

Rural Development), APSIDC (Andhra Pradesh State Irrigation Development Corporation Limited), APRWSSP (Andhra Pradesh Rural Water Supply & Sanitation Project) etc. The company is mainly into civil construction work of providing rural and urban drinking water supply.

Key Financial Indicator: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

S. No.	Instrument	Current Rating (FY2020)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs.crore)	Amount Outstanding (Rs.crore)	Date & Rating	Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017
					27-Mar-2020	26-Dec-2018	19-Jun-2017	-
1	Cash Credit	Long Term	4.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	-
2	Non-Fund Based	LongTerm	15.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	-
2	Unallocated	Long/Short Term	1.00	-	[ICRA]B+ (Stable)/A4; ISSUER NOT COOPERATING	[ICRA] BB(Stable)/A4; ISSUER NOT COOPERATING	[ICRA] BB(Stable)/A4; ISSUER NOT COOPERATING	-

**Issuer did not cooperate; based on best available information.*

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Type	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	Long-term	-	-	-	4.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based	Long-term	-	-	-	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Unallocated	Long-term/Short-term				1.00	[ICRA]B+ (Stable)/A4; ISSUER NOT COOPERATING

Source: Velko Infratek Projects Private Limited

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