



## Press Release

**Valencia and Mishal Ventures Private Limited**

**November 29, 2023**

### Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Debt Facilities – Non- Convertible Debentures (Proposed)	50.00	IVR D [IVR D]	Assigned	Simple
<b>Total</b>	<b>50.00 (Rupees Fifty Crore Only)</b>			

### Details of Facilities are in Annexure 1

#### Detailed Rationale

The aforesaid ratings assigned to the proposed Non-Convertible Debentures (NCD) issue of Valencia and Mishal Ventures Private Limited (VMVPL) factors ongoing delays in debt servicing. However, ratings are supported by experienced promoters in real estate industry.

#### Key Rating Sensitivities:

##### Upward Factors

- Timely debt servicing for at least three consecutive months would result in a positive rating action.

#### List of Key Rating Drivers with Detailed Description

##### Key Rating Strengths

- **Experience promoters in real estate industry**

The company is managed by well-known professional and experienced directors from Sheth Creator group having experience of around three decades in the real estate sector and Y. M. Infra group having experience more than decade in construction sector. The company is the part of Sheth Group which is primarily engaged in real estate development and has shown track record of successfully constructing various projects in past decades. As on date, they have successfully completed more than 50 projects which are a mix of commercial, residential and school projects along with several other projects on-going and



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are in pipeline. VMVPL shall continue benefiting from its promoters' and management personnel's industry experience and the group have experienced key management team to carry out the day-to-day operations.

### Key Rating Weaknesses

- **Ongoing delays in debt servicing**

There were on-going overdrawn in overdraft limits and delays in repayment of term loans facilities with its lender due to the stressed liquidity position.

**Analytical Approach:** Standalone

### Applicable Criteria:

[Policy on Default Recognition](#)

[Criteria for assigning rating outlook](#)

[Rating Methodology for Real Estate Entities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

### Liquidity – Poor

The liquidity position of VMVPL remains poor, as the company has not been able to repay its scheduled debt obligations in timely manner and there are on-going delays in debt servicing with its lender.

### About the Company

“Sheth Creators” & “Y.M. Infra” came together to form an special purpose vehicle (SPV) Company namely Valencia & Mishal Ventures Private Limited (VMVPL). The Company was incorporated on December 12, 2015 and engaged in the business of real estate development activities and construction. The Company has a project in South Mumbai named “One Marina”. VMVPL is managed by well-known professional and experienced directors from Sheth Creator group and Y. M. Infra group. Further the Group has developed over 106.01 lakh sq. ft. total saleable area of residential (mainly 2/3/4 BHK towers) and commercial (mainly retail shops) projects, spread over more than 50 projects in Mumbai, Vasai, Pune and one project in Dubai.



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### Financials (Standalone)\*:

(Rs. Crore)

For the year ended / As on	31-Mar-2022 (Audited)	31-Mar-2023 (Audited)
Total Operating Income	0.00	0.00
EBITDA	-0.35	0.00
PAT	-0.35	0.04
Total Debt	111.07	103.86
Tangible Net worth	-0.05	-0.01
EBITDA Margin (%)	NM	NM
PAT Margin (%)	NM	NM
Overall Gearing Ratio (times)	NM	NM

\*Classification as per Infomerics standards

NM: Non Meaningful

Status of non-cooperation with previous CRA: None

Any other information: None

### Rating History for last three years:

		Current Ratings (Year 2023-24)			Rating History for the past 3 years		
Sr. No.	Name of Instrument / Facilities	Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
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1.	Non-Convertible Debentures (Proposed)	Long Term	50.00	IVR D	–	–	–

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### About Infomerics:

Infomerics Valuation and Rating Private Limited (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit [www.infomerics.com](http://www.infomerics.com)

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### Annexure 1: Details of Facilities

Sr. No	Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Rating Assigned / Outlook
1.	Non-Convertible Debentures (Proposed)*	—	To be decided	18% per annum	31-Mar-2027	50.00	IVR D

Synopsis of the Proposed Term Sheet NCDs Rs.50.00 crore are as follows.

Sr. No.	Particulars	Remarks
1	Issuer	Valencia And Mishal Ventures Private Limited
2	Issue Size	Rs.50.00 crore (Proposed to be Listed)
3	Objects of the Issue	Re-financing of Existing Loan and Working Capital funding
4	Instrument	Senior secured non-convertible debentures
5	Issuance Mode	Private Placement
6	Face Value	Rs.10,00,000
7	Issue Price	At Par
8	Redemption/ Maturity Date	31-Mar-27
9	Coupon Rate	18%
10	Coupon / Interest Payment Date	Monthly
11	Coupon Type	Cash
12	Default Interest Rate	4% p.a.

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:

Particulars	Remarks
Payments schedule for the NCDs:	All cash receivables of the Issuer will be paid into an escrow account and subject to the Project Waterfall.
Restricted Indebtedness	There shall be no further indebtedness incurred by the Obligors without the prior written consent of the NCD Trustee
Ranking:	The NCDs issued by the Issuer shall rank <i>pari passu</i> to one another in all respects and senior to all other indebtedness and obligations of the Issuer



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Particulars	Remarks
<b>Undertakings, Representations, Warranties and Events of Default</b>	The NCDs will include customary undertakings, representations, warranties, events of default and remedies to be set out in the definitive documents
<b>Financial Covenants:</b>	Customary financial covenants for a transaction of this nature
<b>Conditions precedent:</b>	Each NCD will include customary conditions precedent and potential specific conditions precedent to be determined upon completion of due diligence
<b>Gross Up</b>	No deductions or withholdings shall be made in respect of any payments to the holders of the NCDs. If any deductions or withholdings are required to be made under applicable law in respect to any payment to the holders of the NCDs, the amount payable shall be grossed up, such that the net amount paid to the holders of the NCDs after deduction or withholding of tax, would be equal to the amount the holders of the NCDs would have received if no tax was deductible or withheld in relation to such payment
<b>Project Waterfall:</b>	Customary cashflow waterfall for a transaction of this nature
<b>Redemption</b>	Redemption schedule to be mutually agreed between the parties as part of the due diligence process

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).