

## Press Release

### VR Coatings Private Limited

March 19, 2019

### Rating Update



|                                     |  |
|-------------------------------------|--|
| <b>Total Bank Facilities Rated*</b> | Rs. 7.00 Cr. #                         |
| <b>Long Term Rating</b>             | ACUITE BB<br>Issuer not co-operating*  |
| <b>Short Term Rating</b>            | ACUITE A4+<br>Issuer not co-operating* |

# Refer Annexure for details

\* The issuer did not co-operate; Based on best available information.

Acuite has reviewed long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) and short term rating of '**ACUITE A4+**' (read as '**ACUITE A four plus**') on the Rs. 7.00 crore bank facilities of VR Coatings Private Limited (VRPL). This rating is now an indicative rating and is based on best available information.

VRPL was incorporated in 1985 by Mr. D'Souza and family. The Pune based company, led by Mr. Vincent D'Souza (Managing Director), is engaged in the manufacturing of pneumatically driven airless spray painting and dispensing equipment. For FY2017, net worth stood at Rs.6.29 crore as on 31 March, 2017 as compared to Rs.5.81 crore as on 31 March, 2016. The PAT margins stood at 1.80 per cent in FY2017 as compared to 1.40 per cent in FY2016.

#### 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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

#### 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 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.

#### About the Rated Entity - Key Financials

|                               | Unit    | FY17 (Actual) | FY16 (Actual) | FY15 (Actual) |
|-------------------------------|---------|---------------|---------------|---------------|
| Operating Income              | Rs. Cr. | 27.01         | 20.95         | 22.85         |
| EBITDA                        | Rs. Cr. | 2.58          | 1.04          | 2.27          |
| PAT                           | Rs. Cr. | 0.49          | 0.29          | 0.39          |
| EBITDA Margin                 | (%)     | 9.56          | 4.98          | 9.92          |
| PAT Margin                    | (%)     | 1.80          | 1.40          | 1.70          |
| ROCE (%)                      | (%)     | 13.55         | 10.88         | 13.18         |
| Total Debt/Tangible Net Worth | Times   | 1.27          | 1.32          | 1.34          |
| PBDIT/Interest                | Times   | 2.78          | 1.17          | 2.05          |
| Total Debt/PBDIT              | Times   | 3.09          | 7.35          | 3.25          |
| Gross Current Assets (Days)   | Days    | 218           | 248           | 234           |

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

Not Applicable

**Any other information**

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

**Rating History (Upto last three years)**

| Date         | Name of Instrument / Facilities | Term       | Amount (Rs. Cr.) | Ratings/Outlook                 |
|--------------|---------------------------------|------------|------------------|---------------------------------|
| 15 -Feb-2018 | Cash Credit                     | Long Term  | 5.20             | ACUITE BB / Stable (Reaffirmed) |
|              | Proposed Long Term Loan         | Long Term  | 0.80             | ACUITE BB / Stable (Reaffirmed) |
|              | Bank Guarantee                  | Short Term | 1.00             | ACUITE A4+ (Reaffirmed)         |
| 10-Oct-2016  | Cash Credit                     | Long Term  | 5.20             | ACUITE BB / Stable (Reaffirmed) |
|              | Proposed Long Term Loan         | Long Term  | 0.80             | ACUITE BB / Stable (Reaffirmed) |
|              | Bank Guarantee                  | Short Term | 1.00             | ACUITE A4+ (Reaffirmed)         |
| 01-Sep-2015  | Cash Credit                     | Long Term  | 5.20             | ACUITE BB / Stable (Assigned)   |
|              | Bank Guarantee                  | Short Term | 1.00             | ACUITE A4+ (Assigned)           |
|              | Proposed Long Term Loan         | Long Term  | 0.80             | ACUITE BB / Stable (Assigned)   |

**#Annexure – Details of instruments rated**

| Name of the Facilities             | Date of Issuance | Coupon Rate    | Maturity Date  | Size of the Issue (Rs. Cr.) | Ratings                                |
|------------------------------------|------------------|----------------|----------------|-----------------------------|--|
| Cash Credit                        | Not Applicable   | Not Applicable | Not Applicable | 5.20                        | ACUITE BB<br>Issuer not co-operating*  |
| Bank guarantee/Letter of Guarantee | Not Applicable   | Not Applicable | Not Applicable | 1.00                        | ACUITE A4+<br>Issuer not co-operating* |
| Proposed                           | Not Applicable   | Not Applicable | Not Applicable | 0.80                        | ACUITE BB<br>Issuer not co-operating*  |

\*The issuer did not co-operate; based on best available information.

**Contacts**

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**About Acuité Ratings & Research:**

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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