

Press Release

Venkateswara Steels & Springs India Private Limited

July 14, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.15	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	9.75	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	9.90	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reaffirmed the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 9.90 crore bank facilities of Venkateswara Steels & Springs India Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Venkateswara Steels & Springs India Private Limited is a Coimbatore based company established in 1993 as a partnership concern by Mr. L. Dhanapal and Mr. Sadagopan under the name & style of "Venkateswara Steels". Later in the year 2006, the constitution of the company was changed to private limited company. VSS is engaged in manufacturing of precision springs press components & subassemblies. The company majorly caters to the automobile & textile sector.

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 noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Material Covenants

Not Applicable.

Liquidity Position

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

Outlook

Not Applicable.

Other Factors affecting Rating

None.

Status of non-cooperation with previous CRA

None.

Any other information

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

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Apr 2021	Term Loan	Long Term	1.58	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.28	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.15	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	5.89	ACUITE BB (Downgraded and Issuer not co-operating*)
16 Jan 2020	Bank Guarantee	Short Term	0.15	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	5.89	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	1.28	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	1.58	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	1.00	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	1.28	ACUITE BBB- (Issuer not co-operating*)

11 Feb 2019	Term Loan	Long Term	1.58	ACUITE BBB- (Issuer not co-operating*)
	Cash Credit	Long Term	5.89	ACUITE BBB- (Issuer not co-operating*)
	Bank Guarantee	Short Term	0.15	ACUITE A3 (Issuer not co-operating*)
	Term Loan	Long Term	1.00	ACUITE BBB- (Issuer not co-operating*)
13 Dec 2017	Cash Credit	Long Term	5.89	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.15	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	1.58	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.28	ACUITE BBB- Stable (Assigned)
02 Sep 2016	Cash Credit	Long Term	4.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.41	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.15	ACUITE A3 (Reaffirmed)
	Proposed Working Capital Demand Loan	Long Term	2.34	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.25	ACUITE BBB- Stable (Withdrawn)
		Long		
	Term Loan	Term	1.00	ACUITE BBB- Stable (Withdrawn)
22 Jun 2015	Cash Credit	Long Term	2.75	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan	Long Term	0.25	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.25	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.50	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.00	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	0.15	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.15	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.89	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.00	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.58	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.28	ACUITE BB- Downgraded Issuer not co-operating*

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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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