

Press Release

Vapi Pigments Private Limited

May 08, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 13.00 Cr.
Long Term Rating	ACUITE B+ Issuer non-cooperating*
Short Term Rating	ACUITE A4 Issuer non-cooperating*

* Refer Annexure for details

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE B+** (**read as ACUITE B plus**) and short term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs.13.00 crore bank facilities of Vapi Pigments Private Limited. This rating is now an indicative rating and is based on best available information.

VPPL, a partnership firm, established in 1988 is engaged in the manufacture of chemical pigments namely, Chrome, CPC and Beta at Vapi, Gujarat. The company has installed capacity of 150 tonnes per month (Chrome pigments) and 150 tonnes (CPC and beta pigments) per month. The capacity utilisation is around 95 percent.

Non-cooperation by the issuer/borrower:

Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-17.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité 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.	29.47	24.49	34.42
EBITDA	Rs. Cr.	1.73	1.77	2.21
PAT	Rs. Cr.	0.09	0.09	0.34
EBITDA Margin	(%)	5.87	7.23	6.42
PAT Margin	(%)	0.29	0.35	0.98
ROCE	(%)	8.10	8.74	9.78
Total Debt/Tangible Net Worth	Times	1.09	0.94	1.52
PBDIT/Interest	Times	1.76	1.51	1.68
Total Debt/PBDIT	Times	4.25	3.49	4.53
Gross Current Assets (Days)	Days	207	256	190

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

None

Any other information

Acuité 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
23-Feb-2018	Cash Credit	Long Term	6.50	ACUITE B+/ Stable (Reaffirmed)
	Letter of Credit	Short Term	4.35	ACUITE A4 (Reaffirmed)
	Proposed Long Term	Long Term	2.15	ACUITE B+/ Stable (Reaffirmed)
01-Nov-2017	Cash Credit	Long Term	6.50	ACUITE B+ (Indicative)
	Term Loan I	Long Term	0.04	ACUITE B+ (Indicative)
	Term Loan II	Long Term	1.02	ACUITE B+ (Indicative)
	Proposed Long Term	Long Term	0.44	ACUITE B+ (Indicative)
	Letter of Credit	Short Term	5.00	ACUITE A4 (Indicative)

27-Sept-2016	Cash Credit	Long Term	6.50	ACUITE B+/ Stable (Assigned)
	Term Loan I	Long Term	0.04	ACUITE B+/ Stable (Assigned)
	Term Loan II	Long Term	1.02	ACUITE B+/ Stable (Assigned)
	Proposed Long Term	Long Term	0.44	ACUITE B+/ Stable (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A4 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.50	ACUITE B+ Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.35	ACUITE A4 Issuer not co-operating*
Proposed Long Term	Not Applicable	Not Applicable	Not Applicable	2.15	ACUITE B+ Issuer not co-operating*

Contacts:

Analytical	Rating Desk
Pooja Ghosh Head- Corporate and Infrastructure Sector Tel: 033-66201203 pooja.ghosh@acuite.in Abhishek Dey Rating Analyst Tel: 033-66201208 abhishek.dey@acuiteratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

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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