

Press Release

Vel Steel Tubes & Engineering Private Limited

September 05, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 17.00 Cr. #
Long Term Rating	ACUITE B+ Issuer not co-operating*

Refer Annexure for details

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

Acuite has reviewed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 17.00 crore bank facilities of VEL STEEL TUBES & ENGINEERING PRIVATE LIMITED (VSTEPL). This rating is now an indicative rating and is based on best available information.

Chennai-based, VSTEPL manufactures mildsteel tubes and pipes by procuring steel coils from TATA steel, Jindal Steel and JSW steels. It caters to reputed clients such as BHEL, L&T and has a strong dealer network. The production capacity stands at 1 lakh MT per annum with current capacity utilisation of 20 per cent.

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/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). 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

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

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
29-Jun-2018	Cash Credit	Long Term	12.00	ACUITE B+/Stable (Reaffirmed)
	Term Loan	Long Term	1.17	ACUITE B+/Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	3.00	ACUITE B+/Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.83	ACUITE B+/Stable (Reaffirmed)
23-Jun-2017	Cash Credit	Long Term	12.00	ACUITE B+/Stable (Assigned)
	Term Loan	Long Term	1.17	ACUITE B+/Stable (Assigned)
	Proposed Cash Credit	Long Term	1.00	ACUITE B+/Stable (Assigned)
	Proposed Long Term Loan	Long Term	2.83	ACUITE B+/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	12.00	ACUITE B+ Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.17	ACUITE B+ Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B+ Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.83	ACUITE B+ Issuer not co-operating*

Cash credit of Rs.12.00 crore includes sublimit of LC of Rs.1.50 crore.

*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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