

## Press Release

**Vel Steel Tubes & Engineering Private Limited**

November 18, 2020



## Rating Update

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

#Refer Annexure for details

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

Acuité 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 (VSTEPPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

Chennai-based, VSTEPPL manufactures mild-steel 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:

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

The rated entity has not shared the latest Financial Statements despite repeated attempts.

### 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
05-September-2019	Cash Credit	Long Term	12.00	ACUITE B+ Issuer not co-operating*
	Term Loan	Long Term	1.17	ACUITE B+ Issuer not co-operating*
	Proposed Cash Credit	Long Term	3.00	ACUITE B+ Issuer not co-operating*
	Proposed Long Term Loan	Long Term	0.83	ACUITE B+ Issuer not co-operating*
29-June-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-June 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)

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

### \*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	12.00	ACUITE B+ Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	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 Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.83	ACUITE B+ Issuer not co-operating*

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

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## About Acuité Ratings & Research:

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