

Press Release

Vel Steel Tubes & Engineering Private Limited

November 18, 2020

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.

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

Chennai-based, VSTEPL 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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in</p> <p>Aishwarya Phalke Senior Analyst - Rating Operations Tel: 022-4929031 Aishwarya.phalke@acuite.in</p>	<p>Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.