

Press Release

Vel Steel Tubes & Engineering Private Limited

February 18, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.00	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	17.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

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

About the Company

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:

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.

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 attempts.

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.

Status of non-cooperation with previous CRA

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.

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
18 Nov 2020	Proposed Cash Credit	Long Term	0.83	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	1.17	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE B+ (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	3.00	ACUITE B+ (Issuer not co-operating*)
05 Sep 2019	Term Loan	Long Term	1.17	ACUITE B+ (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.83	ACUITE B+ (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	3.00	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE B+ (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.83	ACUITE B+ Stable (Reaffirmed)

29 Jun 2018	Proposed Cash Credit	Long Term	3.00	ACUITE B+ Stable (Reaffirmed)
	Cash Credit	Long Term	12.00	ACUITE B+ Stable (Reaffirmed)
	Term Loan	Long Term	1.17	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

Lender's Name	ISIN	Facilities	Date of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.83	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	1.17	ACUITE B+ Reaffirmed Issuer not co-operating*

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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 8,850 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 Kanjurmarg, Mumbai.

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