

Press Release

Val-Met Engineering Private Limited

October 26, 2018

Rating Update



Total Bank Facilities Rated	Rs. 10.00 Cr. #
Long Term Rating	ACUITE BB Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE BB**' (read as **ACUITE double B**) to the Rs.10.00 crore bank facilities of Val-Met Engineering Private Limited (VEPL). This rating is now an indicative rating and is based on best available information.

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>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.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

VEPL was incorporated in 2007 by Mr. P. H. Subramoni (Director). The company is engaged in the manufacturing of high precision components and processing of specialty materials including titanium, nickel, cobalt, and aluminium alloys at Chennai (Tamil Nadu).

For FY2015-16, VEPL reported profit after tax (PAT) of Rs.0.77 crore on operating income of Rs.13.36 crore compared to PAT of Rs.1.15 crore on operating income of Rs.15.73 crore in the previous year. Further, the company booked revenue of Rs.23.67 crore in FY2017 (Provisional). The net worth stood at Rs.6.22 crore as on 31 March, 2016 as against Rs.5.39 crore in the previous year.

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
8-Aug-2017	Cash Credit	Long Term	5.00	ACUITE BB/ Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BB/ Stable (Reaffirmed)
16-May-2018	Cash Credit	Long Term	5.00	ACUITE BB/ Stable (Indicative)
	Term Loan	Long Term	5.00	ACUITE BB/ Stable (Indicative)
25-Feb-16	Cash Credit	Long Term	5.00	ACUITE BB/ Stable (Assigned)
	Term Loan	Long Term	5.00	ACUITE BB/ Stable (Assigned)

Letter of Credit as a sublimit of Cash Credit with 100 percent interchangeability

#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	5.00	ACUITE BB Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
<p>Srihari Adari Head - Corporate and Infrastructure Sector Ratings Tel: Tel: 040-40042327 srihari.adari@acuite.in</p> <p>Bhavani Sankar Oruganti Senior Analyst - Rating Operations Tel: 040-40055452 bhavanisankar.oruganti@acuiteinratings.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in</p>

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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