

Press Release

VP Engineers

February 18, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 5.50 Cr. #
Long Term Rating	ACUITE B Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

Refer Annexure for details

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

Acuité has reviewed long-term rating of '**ACUITE B** (read as **ACUITE B**) and short term rating of '**ACUITE A4** (read as '**ACUITE A four**') on the Rs. 5.50 crore bank facilities of VP Engineers (VPE). This rating is now an indicative rating and is based on best available information.

VPE, a Tamil Nadu based partnership firm was established in 2013 by Mr. N. Srinivasan and Mr. V. Balasubramanian. The firm is engaged in the manufacture of industrial products used in condensers, heat exchangers and cooling towers, among others.

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/criteria-default.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). 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

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	11.56	7.96	11.75
EBITDA	Rs. Cr.	1.47	1.23	2.93
PAT	Rs. Cr.	0.16	0.37	1.49
EBITDA Margin (%)		12.75	15.44	24.90
PAT Margin (%)		1.40	4.70	12.67
ROCE (%)	(%)	7.06	9.36	35.04
Total Debt/Tangible Net Worth	Times	0.72	0.44	0.04
PBDIT/Interest	Times	2.49	4.01	23.42
Total Debt/PBDIT	Times	3.67	2.73	0.10
Gross Current Assets (Days)	Days	193	167	153

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
10-Feb-2018	Term Loan	Long Term	1.93	ACUITE B / Stable (Assigned)
	Term Loan	Long Term	0.47	ACUITE B / Stable (Assigned)
	Cash Credit	Long Term	1.00	ACUITE B / Stable (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Assigned)
	Letter of Credit	Short Term	0.25	ACUITE A4 (Assigned)
	Proposed Bank Facility	Long Term	1.35	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
Term loans	Not Applicable	Not Applicable	Not Applicable	1.93	ACUITE B Issuer not co-operating*
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	0.47	ACUITE B Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE B Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE A4 Issuer not co-operating*
Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.35	ACUITE B Issuer not co-operating*

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

Contacts

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

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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