

Press Release

Vajra Rubber Products Private Limited

May 03, 2019



Rating Update

Total Bank Facilities Rated	Rs. 10.10 Cr. #
Long Term Rating	ACUITE BBB- Issuer not co-operating*
Short Term Rating	ACUITE A3 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 BBB-**' (**read as ACUITE triple B minus**) and short-term rating of '**ACUITE A3**' (**read as ACUITE A three**) on the Rs. 10.00 crore bank facilities of Vajra Rubber Products Private Limited (VRPL). This rating is now an indicative rating and is based on best available information.

Kerala based, VRPL was incorporated in 1989 by Mr. P. S. Sachindranath (Managing Director). The company is engaged in manufacturing engineered rubber products which includes seal, ring, packing, gasket, metal inserted bush, grommet and diaphragm which finds application in oil field, automobile, mining and aerospace industries, among others. The company has installed capacity of ~1300 ton units per month. The company derives around 60 percent of its revenue from overseas market including USA, Europe, UAE and others; while remaining 40 percent is derived through domestic market. The company is part of the US-based Core International Group which is engaged in design, manufacture and distribution of wide variety of engineered rubber products.

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

- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.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	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	24.85	24.40	13.59
EBITDA	Rs. Cr.	3.36	3.80	1.96
PAT	Rs. Cr.	1.36	1.81	0.38
EBITDA Margin (%)	(%)	13.53	15.57	14.43
PAT Margin (%)	(%)	5.47	7.44	2.78
ROCE (%)	(%)	12.37	19.95	13.87
Total Debt/Tangible Net Worth	Times	0.51	0.22	0.16
PBDIT/Interest	Times	8.90	10.63	6.14
Total Debt/PBDIT	Times	2.08	0.72	0.86
Gross Current Assets (Days)	Days	302	204	258

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

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
11-Jan-2018	Cash Credit	Long Term	0.75	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	2.10	ACUITE BBB-/ Stable (Assigned)
	Export Packing Credit	Short Term	3.00	ACUITE A3 (Assigned)
	Foreign Bill Discounting	Short Term	2.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	2.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	0.25	ACUITE A3 (Assigned)

#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	0.75	ACUITE BBB- Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.10	ACUITE BBB- Issuer not co-operating*
Export Packing Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A3 Issuer not co-operating*
Foreign Bill Discounting	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A3 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A3 Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE A3 Issuer not co-operating*

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

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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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