

Press Release

Vajra Rubber Products Private Limited

January 09, 2020

Rating Update



Total Bank Facilities Rated	Rs. 10.10 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

Refer Annexure for details

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

Acuite has downgraded the long-term rating of Vajra Rubber Products Private Limited (VRPL) to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 10.10 crore bank facilities. This rating is now an indicative rating and is downgraded on account of information risk.

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

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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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). 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 requests.

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

Not Applicable

Any other information

Acuite 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
03-May-2019	Cash Credit	Long Term	0.75	ACUITE BBB-(Indicative)
	Term Loan	Long Term	2.10	ACUITE BBB-(Indicative)
	Export Packing Credit	Short Term	3.00	ACUITE A3 (Indicative)
	Foreign Bill Discounting	Short Term	2.00	ACUITE A3 (Indicative)
	Bank Guarantee	Short Term	2.00	ACUITE A3 (Indicative)
	Letter of Credit	Short Term	0.25	ACUITE A3 (Indicative)
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 BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.10	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Export Packing Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Foreign Bill Discounting	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
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*The issuer did not co-operate; Based on best available information.

Contacts

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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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