

Press Release

Vivan Steels Private Limited

December 12, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 12.70 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 Vivan Steels Private Limited (VSPL) to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Incorporated in 2005, VSPL is a Gujarat based company promoted by Mr. Indravadan Patel. The company was initially engaged in trading of round bars and from 2014 VSPL started manufacturing of alloy round bars, flat bars, stainless steel bars with a capacity of one lakh tons per annum.

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

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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 endeavored 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
07-Jun-2019	Cash Credit	Long Term	11.50	ACUITE BBB- (Indicative)
	Term Loans	Long Term	0.73	ACUITE BBB- (Indicative)
	Bank Guarantee/Letter of Guarantee	Short Term	0.47	ACUITE A3 (Indicative)
23-Mar-2018	Cash Credit	Long Term	11.50	ACUITE BBB-/Stable (Assigned)
	Term Loans	Long Term	0.73	ACUITE BBB-/Stable (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	0.47	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	11.50	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	0.73	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.47	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

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

Contacts

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About Acuite Ratings & Research:

Acuite 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.

Disclaimer: *An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuite.*