

Press Release

Vindhyawashini Marine Services Private Limited

June 13, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 11.60 Cr.
Long Term Rating	ACUITE B / Outlook: Stable

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE B**' (read as **ACUITE B**) on the Rs.11.60 crore bank facilities of Vindhyawashini Marine Services Private Limited. The outlook is '**Stable**'.

Vindhyawashini Marine Services Pvt. Ltd. (VMSPL), established in 2008, is based out of Navi Mumbai. The company provides ship and crew management services to oil & gas industry. The company owns two vessels, namely, M.V. Chenab and M.V. KPS which it leases to other companies.

Key Rating Drivers

Strengths

- **Experienced management**

VMSPL was established in 2008 as a private limited company. The company operates in western India Oil field serving major oil & gas exploration entities, such as Oil & Natural Gas Corporation Limited (ONGC) for the past decade.

Weaknesses

- **Weak financial risk profile**

VMSPL has weak financial risk profile marked by low net worth, high gearing and low debt protection measures. The net worth stood at Rs.0.32 crore as on 31 March, 2017 as against Rs.1.58 crore in the previous year. The gearing stood at 38.26 times as on 31 March, 2017 as against 0.63 times in the previous year. The total debt of Rs.12.27 crore consists of long term loans of Rs.11.86 crore and unsecured loans of Rs.0.42 crore. The interest coverage ratio stood at 1.62 times in FY2017 as against 4.20 times in FY2016. The DSCR stood at 1.62 times in FY2017 as against 4.11 times in the previous year.

- **Uneven operating margins and PAT margins**

The operating margin of the company stood at 45.71 percent in FY2017 as compare to 26.50 percent in FY2016. The PAT margin of the company stood negative at 68.67 percent in FY2017 as compare to 1.19 percent in FY2016. The negative margin is due to high interest and depreciation cost in FY2017.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of VMSPL to arrive at the rating.

Outlook: Stable

Acuite believes that the outlook on VMSPL will continue to remain 'Stable' over the medium term. The outlook may be revised to 'Positive' if the company registers higher-than-expected revenues and cash accruals while demonstrating improvement in the working capital cycle. The outlook may be revised to 'Negative' if there is deterioration in profit margins or capital structure.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	1.83	2.63	2.57
EBITDA	Rs. Cr.	0.84	0.70	1.53
PAT	Rs. Cr.	-1.25	0.03	0.03
EBITDA Margin	(%)	45.71	26.50	59.58
PAT Margin	(%)	-68.67	1.19	1.03
ROCE	(%)	-9.68	8.37	72.10
Total Debt/Tangible Net Worth	Times	38.26	0.63	0.66
PBDIT/Interest	Times	1.62	4.20	1.73
Total Debt/PBDIT	Times	14.57	1.40	0.67
Gross Current Assets (Days)	Days	508	206	64

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

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	11.60	ACUITE B / Stable

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About Acuité Ratings & Research:

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