

Press Release
V K Metcast Private Limited
September 06, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 9.50 Cr.
Long Term Rating	ACUITE BB (Withdrawn)
Short Term Rating	ACUITE A4+ (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE BB**' (**read as ACUITE double B**) and the short-term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 9.50 crore bank facilities of V K Metcast Private Limited.

The rating is being withdrawn on account of request received from the company and no due certificate received from the banker. The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating.

V K Metcast Private Limited (VKPL) was incorporated in 2003. It is a closely-held private limited company promoted by Mr. Veena Chadha, Mr. Kuldeep Chadha, and Mr. Navneet Chadha (Managing Director). The company manufactures non-ferrous metals of zinc alloys, zinc ingots and lead ingots from recycling and smelting of zinc and lead scrap generated by smelters. The company currently has a manufacturing capacity of around 3,000 metric tonnes per annum (TPA). VKPL's registered office is in Delhi and its manufacturing unit is at Alwar (Rajasthan). VKPL sells under the brand names of 'K. C' and 'VMS Z3' and 'VMS Z5'.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of the V K Metcast Private Limited to arrive at this rating.

About the Rated Entity - Key Financials

	Unit	FY19 (Provisional)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	55.12	46.66	43.79
EBITDA	Rs. Cr.	2.56	2.07	1.28
PAT	Rs. Cr.	1.31	0.82	0.48
EBITDA Margin	(%)	4.65	4.43	2.92
PAT Margin	(%)	2.37	1.25	0.76
ROCE	(%)	12.87	14.06	16.42
Total Debt/Tangible Net Worth	Times	6.10	5.33	9.92
PBDIT/Interest	Times	3.16	2.36	2.19
Total Debt/PBDIT	Times	7.26	4.45	9.05
Gross Current Assets (Days)	Days	173	124	198

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

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Entities in Manufacturing sector- <https://www.acuite.in/view-rating-criteria-4.htm>

Note on complexity levels of the rated instrument

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

Rating History (Up to last three years)

Date	Name of the instrument/ facilities	Term	Amount (Rs. Crore)	Ratings/ Outlook
July 09, 2018	Cash Credit	Long-Term	1.50	ACUITE BB/Stable (Assigned)
	LC/LoC/Buyers' Credit (on DP/DA usance 180 days)*	Short-Term	8.00*	ACUITE A4+ (Assigned)

*With one-way full convertibility from LC/LoC/Buyers' Credit to Cash Credit and not-vice versa

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE BB (Withdrawn)
LC/LoC/Buyers' Credit (on DP/DA usance 180 days)*	Not Applicable	Not Applicable	Not Applicable	8.00*	ACUITE A4+ (Withdrawn)

*With one-way full convertibility from LC/LoC/Buyers' Credit to Cash Credit and not-vice versa

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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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