

Press Release

Vallabh Steels Limited

August 16, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	54.00	ACUITE D Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	6.00	-	ACUITE D Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	60.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE D**' (read as '**ACUITE D**') and short term rating of '**ACUITE D**' (read as '**ACUITE D**') on the Rs.60.00 Cr bank facilities of Vallabh Steels Limited (VSL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Vallabh Steels Limited (VSL), incorporated in 1980 is engaged in the manufacturing of cold rolled coils and ERW Black and galvanized pipes. The manufacturing plant is located at Ludhiana, Punjab and has installed capacity of 40,000 MTPA for cold rolled coils and 7,500 MTPA for galvanized pipes. It is promoted by Mr. Kapil Kumar Jain and others.

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 the due date.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

The rated entity has not shared the latest financial statements despite repeated requests.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 May 2021	Letter of Credit	Short Term	6.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	38.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	7.00	ACUITE D (Issuer not co-operating*)
	Proposed Bank Facility	Short Term	9.00	ACUITE D (Issuer not co-operating*)
05 Mar 2020	Term Loan	Long Term	7.00	ACUITE D (Downgraded from ACUITE BB- Stable)
	Letter of Credit	Short Term	6.00	ACUITE D (Downgraded from ACUITE A4)
	Cash Credit	Long Term	38.00	ACUITE D (Downgraded from ACUITE BB- Stable)

	Proposed Bank Facility	Long Term	9.00	ACUITE D (Downgraded from ACUITE BB- Stable)
29 Aug 2019	Term Loan	Long Term	7.00	ACUITE BB- Stable (Downgraded from ACUITE BB Stable)
	Letter of Credit	Short Term	6.00	ACUITE A4 (Downgraded from ACUITE A4+)
	Proposed Bank Facility	Long Term	9.00	ACUITE BB- Stable (Downgraded from ACUITE BB Stable)
	Cash Credit	Long Term	38.00	ACUITE BB- Stable (Downgraded from ACUITE BB Stable)
30 Aug 2018	Cash Credit	Long Term	38.00	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	7.00	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed)
	Proposed Bank Facility	Long Term	9.00	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
10 Jul 2017	Cash Credit	Long Term	45.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB Negative)
	Term Loan	Long Term	7.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB Negative)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Downgraded from ACUITE A3+)
15 Mar 2016	Cash Credit	Long Term	43.00	ACUITE BBB Negative (Assigned)
	Term Loan	Long Term	7.00	ACUITE BBB Negative (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A3+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.00	ACUITE D Reaffirmed Issuer not co-operating*
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	27.00	ACUITE D Reaffirmed Issuer not co-operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D Reaffirmed Issuer not co-operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE D Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE D Reaffirmed Issuer not co-operating*
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	7.00	ACUITE D Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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