

## Press Release

VBC Hydraulics

May 19, 2022



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.16	ACUITE BB-   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	10.16	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB-**' (read as ACUITE double B minus) on the Rs. 10.16 crore bank facilities of VBC Hydraulics (VBCH). The rating is flagged as "Issuer Not Cooperating" on account of information risk.

#### About the Company

Established in 1995, VBC Hydraulics (VBC) is a Gujarat based proprietorship concern promoted by Mr. Bhavesh Shah. The firm is engaged in the manufacturing of hydraulic gear pumps and power pumps. The firm has its manufacturing facility located in Ahmadabad, Gujarat with an installed capacity to manufacture 700 pumps per day.

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

#### Rating Sensitivities

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

#### Material Covenants

None

### Liquidity Position

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

### Outlook

None

### Other Factors affecting Rating

None

### Key Financials:

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

### Status of non-cooperation with previous CRA

None

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
02 Mar 2021	Term Loan	Long Term	2.57	ACUITE BB-   Stable (Upgraded from ACUITE B+)
	Cash Credit	Long Term	2.30	ACUITE BB-   Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	5.29	ACUITE BB-   Stable (Upgraded from ACUITE B+)
11 Aug 2020	Term Loan	Long Term	4.49	ACUITE B+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.80	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	2.57	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	2.30	ACUITE B+ (Issuer not co-operating*)
30 May 2019	Proposed Bank Facility	Long Term	0.80	ACUITE B+   Stable (Assigned)
	Cash Credit	Long Term	2.30	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	4.49	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	2.57	ACUITE B+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.30	ACUITE BB-   Reaffirmed   Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	Not available	Not available	Not available	2.57	ACUITE BB-   Reaffirmed   Issuer not co-operating*
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	5.29	ACUITE BB-   Reaffirmed   Issuer not co-operating*

## Contacts

Analytical	Rating Desk
Pooja Ghosh Head-Rating Operations Tel: 022-49294041 <a href="mailto:pooja.ghosh@acuите.in">pooja.ghosh@acuите.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuите.in">rating.desk@acuите.in</a>
Srijita Chatterjee Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:srijita.chatterjee@acuите.in">srijita.chatterjee@acuите.in</a>	

### 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.

**Disclaimer:** An Acuité 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. Ratings assigned by Acuité 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, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité 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. Ratings assigned by Acuité 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](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.