



Press Release

VBC Hydraulics

July 24, 2023

Rating Downgraded & Withdrawn, Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.29	ACUITE B+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	4.87	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	10.16	-	-

Rating Rationale

Acuite has downgraded & withdrawn its long term rating to '**ACUITE B+**' (read as **ACUITE B plus**)' from **ACUITE BB-** (read as **ACUITE double B minus**) on the Rs 5.29 crore bank facilities. The long term rating is withdrawn on Rs 4.87 crore bank facilities of VBC Hydraulics. The rating continues to be flagged as "Issuer Not Cooperating" and is based on best available information.

The ratings are withdrawn on Acuite's policy of withdrawal of ratings, after receiving the company's request and NDC/NOC received from the banker.

The rating has been downgraded 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 are based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements for Acuite to comment.

Rating Sensitivity

"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

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

Acuite is yet to receive the latest No Default Statement from the rated entity despite repeated requests and followups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 May 2022	Term Loan	Long Term	5.29	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	2.57	ACUITE BB- (Issuer not co-operating*)
	Cash Credit	Long Term	2.30	ACUITE BB- (Issuer not co-operating*)
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*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.30	Not Applicable Withdrawn
Kotak Mahindra Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.57	Not Applicable Withdrawn
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.29	ACUITE B+ Downgraded & Withdrawn 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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