

Press Release

Vahini Irrigation Private Limited (VIPL)

12 January, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 88.00 Cr. #
Long Term Rating (Indicative)	SMERA B+ Issuer not co-operating*
Short Term Rating (Indicative)	SMERA A4 Issuer not co-operating*

* Refer Annexure for details

Rating Rationale

SMERA has reviewed the long term rating of '**SMERA B+ (read as SMERA B plus)**' and the short term rating of **SMERA A4 (read as SMERA A4)** on the Rs. 88.00 crore bank facilities of Vahini Irrigation Private Limited (VIPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA 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 due date.

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

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>

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). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

VIPL, incorporated in 1999, is a Karnataka-based company engaged in the manufacture of PVC pipes and drip irrigation equipments. The company has installed capacity of 9,600 metric tonnes per annum for PVC pipes.

For FY2015-16 (provisional), VIPL reported profit after tax (PAT) of Rs.1.20 crore on operating income of Rs.121.71 crore, as compared with PAT of Rs.0.24 crore on operating income of Rs.89.77 crore in FY2014-15. The company's net worth stood at Rs.14.65 crore as on March 31, 2015, as compared with Rs.4.38 crore a year earlier.

Rating History for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
19 th October 2016	Cash Credit	Long Term	6.40	SMERA B+/Stable (Suspension Revoked/ Rating Assigned)
	Term loan	Long Term	44.17	SMERA B+/Stable (Suspension Revoked/ Rating Assigned)
	Letter of Credit/ Buyers Credit	Short Term	5.50	SMERA A4 (Suspension Revoked/ Rating Assigned)
	Cash Credit (Proposed)	Long Term	17.60	SMERA B+/Stable (Suspension Revoked/ Rating Assigned)
	Letter of Credit/ Buyers Credit (Proposed)	Short Term	14.33	SMERA A4 (Suspension Revoked/ Rating Assigned)
26 th April 2016	Cash Credit	Long Term	6.40	SMERA B+/Stable (Suspended)
	Cash Credit (Proposed)	Long Term	18.60	SMERA B+/Stable (Suspended)
	Term loan (Proposed)	Long Term	43.00	SMERA B+/Stable (Suspended)
	Letter of Credit/ Buyers Credit	Short Term	5.50	SMERA A4 (Suspended)
	Letter of Credit/ Buyers Credit (Proposed)	Short Term	14.50	SMERA A4 (Suspended)
29 th January 2015	Cash Credit	Long Term	6.40	SMERA B+/Stable (Assigned)
	Cash Credit (Proposed)	Long Term	18.60	SMERA B+/Stable (Assigned)

	Term loan (Proposed)	Long Term	43.00	SMERA B+ /Stable (Assigned)
	Letter of Credit/ Buyers Credit	Short Term	5.50	SMERA A4 (Assigned)
	Letter of Credit/ Buyers Credit (Proposed)	Short Term	14.50	SMERA A4 (Assigned)

Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.40	SMERA B+ (Indicative)
Term loans	Not Applicable	Not Applicable	Not Applicable	4.17	SMERA B+ (Indicative)
Term loans	Not Applicable	Not Applicable	Not Applicable	40.00	SMERA B+ (Indicative)
Cash Credit (Proposed)	Not Applicable	Not Applicable	Not Applicable	17.60	SMERA B+ (Indicative)
Letter of Credit/ Buyers Credit	Not Applicable	Not Applicable	Not Applicable	5.50	SMERA A4 (Indicative)
Letter of Credit/ Buyers Credit (Proposed)	Not Applicable	Not Applicable	Not Applicable	14.33	SMERA A4 (Indicative)

**The issuer did not co-operate; based on best available information.*

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ABOUT SMERA

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