

## Press Release

### IGP Engineers Private Limited

March 19, 2019



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs.37.00 Cr.#
<b>Long Term Rating</b>	ACUITE A (Downgraded from ACUITE A+/Stable) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A1 Issuer not co-operating*

#Refer Annexure for details

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

### Rating Rationale

Acuité has revised the long-term rating to '**ACUITE A**' (read as **ACUITE A**) from '**ACUITE A+**' (read as **ACUITE A plus**) and short-term rating of '**ACUITE A1**' (read as **ACUITE A one**) on the Rs.37.00 crore bank facilities of IGP Engineers Private Limited. This rating is now an indicative rating and is based on best available information.

IGPEPL, established in 1954 is engaged in the manufacture of metallic and non-metallic gaskets at Chennai and Chengalpattu. The day-to-day operations are led by promoters, Mr. V. Lakshmanan, Mr. V. Balasubramanian, Mr. K. Shyamsundar and others.

**Non-cooperation by the issuer/borrower:** Acuité 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 Acuité's policies.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information can be a sign of a potential deterioration in credit quality.

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### About the Rated Entity- Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	178.81	187.66	240.57
EBITDA	Rs. Cr.	21.34	28.30	32.99
PAT	Rs. Cr.	11.35	16.24	19.51
EBITDA Margin	(%)	11.93	15.08	13.71
PAT Margin	(%)	6.35	8.65	8.11
ROCE	(%)	13.63	18.73	42.24
Total Debt/Tangible Net Worth	Times	0.12	0.09	0.13
PBDIT/Interest	Times	9.62	10.97	9.00

Total Debt/PBDIT	Times	0.68	0.37	0.49
Gross Current Assets (Days)	Days	224	187	197

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

None

#### **Any other information**

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

#### **Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
16-Jan-18	Cash Credit	Long Term	5.00	ACUITE A+/ Stable (Reaffirmed)
	Packing Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Bills Discounting	Short Term	7.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	4.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	16.00	ACUITE A1 (Reaffirmed)
12-Oct-16	Cash Credit	Long Term	5.00	ACUITE A+/ Stable (Reaffirmed)
	Packing Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Bills Discounting	Short Term	7.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	4.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	16.00	ACUITE A1 (Reaffirmed)
18-Aug-15	Cash Credit	Long Term	5.00	ACUITE A+/ Stable (Reaffirmed)
	Packing Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Bills Discounting	Short Term	7.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee	Short Term	4.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	16.00	ACUITE A1 (Reaffirmed)

#### **\*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	5.00	ACUITE A (Downgraded) Issuer not co-operating*
Packing Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A1 Issuer not co-operating*
Bills Discounting	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A1 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A1 Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE A1 Issuer not co-operating*

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

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### About Acuité Ratings & Research:

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