



Press Release

VMS TMT Private Limited

November 15, 2023

Ratings

| Facilities | Amount (INR crore) | Ratings | Rating Action | <u>Complexity Indicator</u> |
|-------------------------------|---|--|---|---------------------------------|
| Long Term Bank Facilities | 100.93 | IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR Double B plus with Negative Outlook Issuer Not Cooperating) | Revised from IVR BBB-/ Stable (IVR Triple B minus with stable outlook) and moved to Issuer Not Cooperating category | Simple |
| Short Term Bank Facilities | 3.00 | IVR A4+/ ISSUER NOT COOPERATING* (IVR A four plus Issuer Not Cooperating) | Revised from IVR A3 (IVR A three) and moved to Issuer Not Cooperating category | Simple |
| Total | 103.93 (INR One Hundred three crore and ninety three lakhs only) | | | |

**Issuer did not cooperate; based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in ratings is because of lack of adequate information regarding VMS TMT Private Limited's (VTPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The outlook remains negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.



Press Release

Non-cooperation by Issuer

Infomerics has been regularly following up with the entity to provide the required data & NDS to monitor its assigned rating to the bank facility, vide mail communications dated August 09, 2023, October 27, 2023, November 03, 2023, November 08, 2023, November 10, 2023 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term and short term ratings of the bank loan facilities aggregating to INR 103.93 crore of VMS TMT Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long term rating will be at 'IVR BB+/ Negative ISSUER NOT COOPERATING' based on best available information (IVR Double B plus with Negative outlook Issuer Not Cooperating based on best available information) and short term rating will be at 'IVR A4+ ISSUER NOT COOPERATING' based on best available information (IVR A four plus Issuer Not Cooperating based on best available information).

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for manufacturing-companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of Rating Outlook](#)



Press Release

About the Company

VMS TMT Pvt. Ltd. has been promoted by the family members of Mr. Manoj Kumar Jain. Incorporated in 2013 and based out of Gujarat, the company is engaged in the manufacturing of hot rolled TMT bars in its plant which is situated at village Bhayla, Taluka Bavla, District in Ahmedabad. The plant started commercial production in September 2021 with an installed capacity of 200,000 MT per annum. The company sells TMT bars under the name Kamdhenu NXT TMT Bars and KAY2 TMT Bars.

Financials (Standalone):

(INR Crore)

| For the year ended* / As On | 31-03-2021 | 31-03-2022 |
|-----------------------------|------------|------------|
| | (Audited) | (Audited) |
| Total Operating Income | 225.04 | 493.73 |
| EBITDA | 2.83 | 16.17 |
| PAT | 0.75 | 6.88 |
| Total Debt | 36.61 | 82.36 |
| Tangible Net worth | 37.78 | 53.95 |
| EBITDA Margin (%) | 1.26 | 3.28 |
| PAT Margin (%) | 0.33 | 1.39 |
| Overall Gearing Ratio (x) | 0.97 | 1.53 |

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

| Sr. No. | Name of Instrument/Facilities | Current Rating (Year 2023-24) | | | Rating History for the past 3 years | | |
|---------|-------------------------------|-------------------------------|--------------------------------|--|--|---|---|
| | | Type | Amount outstanding (INR Crore) | Rating | Date(s) & Rating(s) assigned in 2022-23 (October 26, 2022) | Date(s) & Rating(s) assigned in 2021-22 | Date(s) & Rating(s) assigned in 2020-21 |
| 1. | Term Loan | Long Term | 44.93 | IVR BB+/ Negative ISSUER NOT COOPERATING* | IVR BBB-/ Stable | - | - |
| 2 | Cash Credit | Long Term | 56.00 | IVR BB+/ Negative ISSUER NOT COOPERATING* | IVR BBB-/ Stable | - | - |



Press Release

| Sr. No. | Name of Instrument/ Facilities | Current Rating (Year 2023-24) | | | Rating History for the past 3 years | | |
|---------|-----------------------------------|-------------------------------|--------------------------------|------------------------------------|--|---|---|
| | | Type | Amount outstanding (INR Crore) | Rating | Date(s) & Rating(s) assigned in 2022-23 (October 26, 2022) | Date(s) & Rating(s) assigned in 2021-22 | Date(s) & Rating(s) assigned in 2020-21 |
| 3 | Bank Guarantee | Short Term | 3.00 | IVR A4+ ISSUER NOT COOPERATING* | IVR A3 | - | - |

* Issuer did not cooperate; based on best available information

Name and Contact Details of the Analyst:

Name: Sandeep Khaitan

Tel: (033)- 46022266

Email: sandeep.khaitan@infomerics.com

Name: Saroj Kumar Das

Tel: (033)- 46022266

Email: saroj.das@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI). Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks. Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not



Press Release

recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

| Name of Facility | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|------------------|------------------|------------------|---------------|------------------------------|---|
| Term Loan 1 | - | - | FY29 | 20.00 | IVR BB+/ Negative ISSUER NOT COOPERATING* |
| Term Loan 2 | - | - | FY31 | 8.00 | IVR BB+/ Negative ISSUER NOT COOPERATING* |
| Term Loan 3 | - | - | FY31 | 2.00 | IVR BB+/ Negative ISSUER NOT COOPERATING* |
| Term Loan 4 | - | - | FY27 | 2.00 | IVR BB+/ Negative ISSUER NOT COOPERATING* |
| Term Loan 5 | - | - | FY29 | 6.87 | IVR BB+/ Negative ISSUER NOT COOPERATING* |
| Term Loan 6 | - | - | FY28 | 4.57 | IVR BB+/ Negative ISSUER NOT COOPERATING* |
| Term Loan 7 | - | - | FY31 | 1.49 | IVR BB+/ Negative ISSUER NOT COOPERATING* |
| Cash Credit 1 | - | - | - | 18.50 | IVR BB+/ Negative ISSUER NOT COOPERATING* |
| Cash Credit 2 | - | - | - | 37.50 | IVR BB+/ Negative ISSUER NOT COOPERATING* |
| Bank Guarantee | - | - | - | 3.00 | IVR A4+ ISSUER NOT COOPERATING* |

*Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Applicable



Press Release

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com

