



Press Release

Val met Engineering Private Limited

September 11, 2023

Ratings:

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility – Fund Based	8.90	IVR B+/Negative; ISSUER NOT COOPERATING (IVR B Plus With Negative outlook; ISSUER NOT COOPERATING)	IVR BB-; ISSUER NOT COOPERATING (IVR Double B Minus; ISSUER NOT COOPERATING)	Downgraded under ISSUER NOT COOPERATING category	Simple
Long Term Bank Facility– Non-Fund Based	25.20	IVR B+/Negative; ISSUER NOT COOPERATING (IVR B Plus With Negative outlook; ISSUER NOT COOPERATING)	IVR BB-; ISSUER NOT COOPERATING (IVR Double B Minus; ISSUER NOT COOPERATING)	Downgraded under ISSUER NOT COOPERATING category	Simple
Total	34.10	Rupees Thirty-Four Crores and Ten Lakhs Only			

* Issuer not cooperating; Based on best available information

** Details of facilities is given under Annexure I.

Ratings

The rating has been downgraded under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

Detailed Rationale:

The rating revision is because of lack of adequate information regarding Val Met Engineering Private Limited (VMEPL) and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The rating was due for review in July 2023. IVR took up with issuer to provide required information vide multiple e-mail communications dated by August 11, 2023, and through



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various telephonic calls. Despite the best efforts of IVR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the entity, IVR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Hence, on account of inadequate information, IVR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the Company.

Non-cooperation by Issuer:

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 rating for the bank loan facilities aggregating to Rs. 34.10 Crore for the bank loan facilities of M/s Val met Engineering Private Limited have been downgraded under 'ISSUER NOT COOPERATING' category by Infomerics and the rating for the long term be noted as IVR B+/Negative; ISSUER NOT CO-OPERATING based on best available information.

Analytical Approach: For arriving at the ratings, IVR has analysed VMEPL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

[Rating Methodology for Manufacturing companies](#)

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

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

[Criteria for Assigning Rating Outlook](#)

About the Company

VEPL was incorporated in 2007 by Mr. P. H. Subramoni (Director). The company is engaged in the manufacturing of high precision components and processing of specialty materials including titanium, nickel, cobalt, and aluminium alloys at Chennai (Tamil Nadu).

Financials: Standalone

(Rs. Crore)



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For the year ended*	31-03-2019	31-03-2020
	Audited	Provisional
Total Operating Income	39.97	40.49
EBITDA	8.78	13.53
PAT	3.17	8.05
Total Debt	11.39	9.12
Tangible Net Worth	14.51	22.02
EBITDA Margin (%)	21.98	33.42
PAT Margin (%)	7.86	19.89
Overall Gearing Ratio (x)	0.79	0.41

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA –None

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (July 25, 2022)	Date(s) & Rating(s) assigned in 2021-22 (May 28, 2021)	Date(s) & Rating(s) assigned in 2020-21 (June 16, 2020)
1.	WC DL	Long Term	1.50	IVR B+/Negative; ISSUER NOT COOPERATING (IVR Single B Plus with Negative Outlook; ISSUER NOT COOPERATING)	IVR BB-; ISSUER NOT COOPERATING	IVR BB, ISSUER NOT COOPERATING	IVR BB+/Positive Outlook (IVR Double B Plus with Positive Outlook)
2.	Term Loan	Long Term	7.40	IVR B+/Negative; ISSUER NOT COOPERATING (IVR Single B Plus with Negative Outlook; ISSUER NOT COOPERATING)	IVR BB-; ISSUER NOT COOPERATING	IVR BB; ISSUER NOT COOPERATING	IVR BB+/Positive Outlook (IVR Double B Plus with Positive Outlook)



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3.	BG*	Long Term	25.20	IVR B+/Negative; ISSUER NOT COOPERATING (IVR Single B Plus with Negative Outlook; ISSUER NOT COOPERATING)	IVR BB-; ISSUER NOT COOPERATING	IVR BB; Issuer Not Cooperating	IVR BB+/Positive Outlook (IVR Double B Plus with Positive Outlook)
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Name and Contact Details of the Rating Analyst:

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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 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



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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
Long Term Bank Facility – WCDL	--	--	--	1.50	IVR B+/Negative; ISSUER NOT COOPERATING
Long Term Bank Facility – Term Loan	--	--	August 2024	7.40	IVR B+/Negative; ISSUER NOT COOPERATING
Long Term Bank Facility – BG	--	--	--	25.20	IVR B+/Negative; ISSUER NOT COOPERATING

* Note BG Tenor is more than 1 year.

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-ValMet-sep23.pdf>

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.