



Press Release

Vandana Ispat Private Limited (erstwhile Vandana Ispat Limited)

November 29, 2023

Ratings:

| Instrument / Facility | Amount (Rs. Crore) | Current Ratings | Previous Rating | Rating Action | Complexity Indicator |
|--|---------------------------|--|--|---|---|
| Long Term fund-based bank facilities – Cash Credit | 40.00 | IVR BB- /Negative; Issuer not cooperating* (IVR double B minus with Negative outlook; Issuer not cooperating) | IVR BB; Issuer not cooperating* (IVR Double B; Issuer not cooperating) | Downgraded and continued in Issuer not cooperating category | Simple |
| Short term non-fund-based bank facilities – LC/BG | 2.48 | IVR A4; Issuer not cooperating* (IVR Single A four; Issuer not cooperating) | IVR A4; Issuer not cooperating* (IVR Single A four; Issuer not cooperating) | Reaffirmed and continued in Issuer not cooperating category | Simple |
| Total | 42.48 | (Rupees forty-two crore and forty-eight lakhs only) | | | |

** Issuer not cooperating; Based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale:

The rating is revised because of lack of adequate information regarding Vandana Ispat Private Limited (erstwhile Vandana Ispat Limited) 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 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, despite the downgrade.



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Non-cooperation by Issuer:

Infomerics has been regularly following up with the Company to provide the required data to monitor its assigned ratings to the bank facilities, vide mails communications October 4, 2023; October 9, 2023; October 17, 2023; October 19, 2023; October 27, 2023; November 14, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the firm's management has not submitted all the essential details/information for surveillance exercise.

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 bank loan ratings aggregating to Rs. 42.48 Crore of Vandana Ispat Private Limited (erstwhile Vandana Ispat Limited) shall be Continued to 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-/Negative; ISSUER NOT COOPERATING and IVR A4; ISSUER NOT COOPERATING based on best available information.

Analytical Approach: Standalone

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

Vandana Ispat Private Limited (erstwhile Vandana Ispat Limited) is part of the Vandana group, founded by Mr. Subhash Agarwal, a first-generation entrepreneur in 1984. VIL is engaged in manufacturing of M.S beams, channels, angles among other structural products with its manufacturing facility located at Raipur, Chhattisgarh.

Financials: Standalone

| For the year ended* / Rs. Crore | (Rs. Crore) | |
|---------------------------------|----------------|----------------|
| | 31-03-2019 | 31-03-2020 |
| | Audited | Audited |
| Total Operating Income | 339.20 | 260.93 |



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| | | |
|---------------------------|-------|-------|
| EBITDA | 6.21 | 6.57 |
| PAT | 1.17 | 2.01 |
| Total Debt | 40.27 | 35.73 |
| Tangible Net Worth | 91.16 | 90.83 |
| Ratios | | |
| EBITDA Margin (%) | 1.83 | 2.52 |
| PAT Margin (%) | 0.34 | 0.77 |
| Overall Gearing Ratio (x) | 0.44 | 0.39 |

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA – CRISIL and Brickworks vide its press release dated January 10, 2023, and October 19, 2022, respectively has continued to classify the case under Issuer Not Cooperating category on account of non-submission of relevant information.

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 outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2022-23 (November 17, 2022) | Date(s) & Rating(s) assigned in 2021-22 (September 06, 2021) | Date(s) & Rating(s) assigned in 2020-21 (July 22, 2020) |
| 1. | Long Term fund-based bank facilities – Cash Credit | Long Term | 40.00 | IVR BB-/Negative; Issuer not cooperating* (IVR double B minus with Negative outlook; Issuer not cooperating) | IVR BB; Issuer not cooperating* (IVR Double B; Issuer not cooperating) | IVR BB+; Issuer not cooperating* (IVR Double B plus; Issuer not cooperating) | IVR BBB-; Stable (IVR Triple B minus with Stable outlook) |
| 2. | Short term non-fund-based bank facilities – LC/BG | Short Term | 2.48 | IVR A4; Issuer not cooperating* (IVR Single A four; Issuer not cooperating) | IVR A4; Issuer not cooperating* (IVR Single A four; Issuer not cooperating) | IVR A4+; Issuer not cooperating* (IVR Single A four plus; Issuer not cooperating) | IVR A3 (Single A three) |

** Issuer did not cooperate (INC); based on best available information.*



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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 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.



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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 fund based bank facilities – Cash Credit | -- | -- | -- | 40.00 | IVR BB-/Negative; Issuer not cooperating* (IVR double B minus with Negative outlook; Issuer not cooperating) |
| Short Term non-fund-based bank facilities – LC/BG | -- | -- | -- | 2.48 | IVR A4; Issuer not cooperating* (IVR Single A four; Issuer not cooperating) |

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

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

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-Vandana-Ispat-nov23.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.