



Press Release

Veer Plastics Private Limited

May 06, 2024

Ratings

Facilities	Amount (Rs. crore)	Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	248.19	IVR BBB+; Negative; Issuer Not Cooperating* (IVR Triple B Plus with Negative outlook; Issuer Not Cooperating)	Downgraded with revision in outlook from Stable to Negative and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	24.25	IVR A2; Issuer Not Cooperating* (IVR A Two; Issuer Not Cooperating)	Downgraded and moved to ISSUER NOT COOPERATING category	Simple
Total	272.44 (Rupees Two Hundred Seventy- Two Crore and Forty-four lakhs Only)			

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

Details of Facility are in Annexure 1

Detailed Rationale

The revision in ratings assigned to the bank facilities of Veer Plastics Private Limited (VPPL) is because of non-cooperation by the company despite repeated follow ups and lack of adequate information leading to information availability risk and hence uncertainty around its credit risk. Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. The outlook revised from stable to 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 company.

Non-cooperation by Issuer



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Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide E-mail communications dated April 23, 2024, March 01, 2024, February 01, 2024, and January 01, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted 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 Ratings has to assign the rating based on the best available information. Accordingly, the ratings assigned to the bank loan facilities of Veer Plastics Private Limited aggregating to Rs. 272.44 crore shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics Ratings and the long-term rating will be noted as IVR BBB+; Negative; Issuer Not Cooperating; Based on best available information (IVR Triple B Plus with Negative outlook; Issuer Not Co-operating) and the short-term rating will be IVR A2; Issuer Not Cooperating (IVR A Two; Issuer Not Cooperating); Based on best available information.

Analytical Approach: Standalone

Applicable Criteria

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

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Manufacturing companies](#)

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

[Policy of default recognition](#)

[Criteria on complexity](#)

Liquidity: Unable to comment due to non-availability of information despite repeated follow ups.

About the company

Incorporated in 1985, Veer Plastics Private Limited (VPPL) is one of the leading woven sacks manufacturers for the fertilizer and cement industry. During the last 6-7 years, VPPL has developed new and value-added products such as jumbo bags (FIBC), PP fabrics and other technical textile for quality conscious export markets such as USA, Canada and European Countries since almost ~45-50% of the revenues is derived from the overseas market. VPPL was started by setting up a poly woven bags facility at Kadi, Gujarat. Over the years VPPL has



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set up fully integrated facilities at Santej and Borisana in Ahmedabad, Silvassa in Dadra & Nagar Haveli and at Dist. Solan in Himachal Pradesh. Currently the company has total production capacity of 59,020 MTPA.

Financials (Standalone): Latest Financials not available

For the year ended* / As On	(Rs. Crore)	
	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	711.52	985.87
EBITDA	66.30	53.12
PAT	32.54	23.22
Total Debt	231.60	269.76
Tangible Net worth	190.23	216.47
EBITDA Margin (%)	9.32	5.39
PAT Margin (%)	4.52	2.32
Overall Gearing Ratio (x)	1.22	1.25

* As per Infomerics Standard

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Ratings*	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2022-22
					13.03.2023		
1.	Term Loan	Long Term	88.19	IVR BBB+/Negative; Issuer Not Cooperating	IVR A-/Stable	-	-
2.	Cash Credit	Long Term	160.00	IVR BBB+/Negative; Issuer Not Cooperating	IVR A-/Stable	-	-
3.	Bank Guarantee	Short Term	9.25	IVR A2; Issuer Not Cooperating	IVR A2+	-	-
4.	Letter of Credit	Short Term	6.00	IVR A2; Issuer Not Cooperating	IVR A2+	-	-
5.	CEL	Short Term	9.00	IVR A2; Issuer Not Cooperating	IVR A2+	-	-

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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.

Annexure 1: Details of Facility*



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Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating / Outlook
Term Loan	-	-	June, 2028	88.19	IVR BBB+ / Negative; Issuer Not Cooperating
Cash Credit	-	-	-	160.00	IVR BBB+ / Negative; Issuer Not Cooperating
Bank Guarantee	-	-	-	9.25	IVR A2; Issuer Not Cooperating
Letter of Credit	-	-	-	6.00	IVR A2; Issuer Not Cooperating
CEL	-	-	-	9.00	IVR A2; Issuer Not Cooperating
Total	-	-	-	272.44	

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

Annexure 2: Facility wise lender details: Not Available

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

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 <https://www.infomerics.com/>