



Press Release

Val-met Engineering Private Limited

May 28th, 2021

Rating:

Facilities	Amount (INR Crore)	Current Ratings	Rating Action
Long Term Fund Based Facilities	8.90	IVR BB(INC)*; (IVR Double B Plus) ISSUER NOT COOPERATING*	Rating downgraded from IVR BB+/Positive and moved to ISSUER NOT COOPERATING
Long Term Non-Fund Based Facilities	25.20	IVR BB(INC)*; (IVR Double B Plus) ISSUER NOT COOPERATING*	Rating downgraded from IVR BB+/Positive and moved to ISSUER NOT COOPERATING
Total	33.57		

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

Details of Facility are in Annexure 1

Detailed Rationale

Infomerics has moved the rating of Val-met Engineering Private Limited to the 'ISSUER NOT COOPERATING' category due to non-submission of monthly 'No Default Statement' ("NDS") by the entity for last three months. Infomerics has been consistently following up with Val-met Engineering Private Limited for obtaining the monthly 'No Default Statement' due for the month of January 2021 to March 2021. However, the entity's management has remained non-cooperative. Infomerics is unable to validate whether Val-met Engineering Private Limited has been able to meet its debt servicing obligations in a timely manner. 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 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, despite the rating revision.



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Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide monthly 'No Default Statement' ("NDS") to monitor its meeting its debt/interest servicing obligations to the bank facilities, vide multiple E-mail communications dated March 18, 2021 & April 28, 2021 & May 18, 2021, May 24, 2021 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the monthly 'No Default Statement' ("NDS") to monitor its debt/interest servicing obligations.

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 ratings for the bank loan facilities of Val-met Engineering Private Limited aggregating to Rs.34.10 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB; Issuer Not Co-operating; Based on best available information.

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.

Analytical Approach & Applicable Criteria

Standalone

Financial Ratios & Interpretation (Non-Financial Sector)

Rating Methodology for Manufacturing Companies

Guidelines on what constitutes Non-Cooperation by clients

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)

(INR Crore)

For the year ended*/As on	31-03-2019	29-02-2020
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For the year ended*/As on	31-03-2019	29-02-2020
	Audited	Provisional
Total Operating Income	39.97	40.49
EBITDA	8.78	13.53
PAT	3.17	8.05
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: Nil

Rating History for last three years:

S. No	Name of Instrument/Facilities	Current Rating (Year 2021-2022)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 (16 June, 2020)	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	WCDL	Long Term	1.50	IVR BB and Issuer Not Cooperating	IVR BB+/Positive Outlook (IVR Double B Plus with Positive Outlook)	-	-
2	Term Loan	Long Term	7.40	IVR BB and Issuer Not Cooperating	IVR BB+/Positive Outlook (IVR Double B Plus with Positive Outlook)	-	-
3.	BG*	Long	25.20		IVR	-	



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		Term		IVR BB and Issuer Not Cooperating	BB+/Positive Outlook (IVR Double B Plus with Positive Outlook)		-
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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.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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, suspend 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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – WCDL	-	-	-	1.50	IVR BB and Issuer Not Cooperating
Long Term Bank Facilities – Term Loan	-	-	August 2024	7.40	IVR BB and Issuer Not Cooperating
Long Term Bank Facilities – BG	-	-	-	25.20*	IVR BB and Issuer Not Cooperating

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