

Press Release

Vikram India Limited

May 08, 2019

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action
Long-Term Debt-Term Loan	2.46	IVR BBB-/Stable Outlook ISSUER NOT COOPERATING* (Rating moved to Issuer Not Cooperating category from IVR BBB-/Stable)	Moved to ISSUER NOT COOPERATING Category and revised from IVR BBB- with Stable Outlook
Long Term Fund based facilities- Cash Credit	30	IVR BBB-/Stable Outlook ISSUER NOT COOPERATING* (Rating moved to Issuer Not Cooperating category from IVR BBB-/Stable)	Moved to ISSUER NOT COOPERATING Category and revised from IVR BBB- with Stable Outlook
Short Term Non Fund based facilities- PC/PCFC	11	IVR A3 ISSUER NOT COOPERATING* (Rating moved to Issuer Not Cooperating category from IVR A3)	Moved to ISSUER NOT COOPERATING Category from IVR A Three
Short Term Non Fund based facilities- Letter of Credit	17	IVR A3 ISSUER NOT COOPERATING* (Rating moved to Issuer Not Cooperating category from IVR A3)	Moved to ISSUER NOT COOPERATING Category from IVR A Three
Total	60.46		

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

Details of Facility are in Annexure 1

Detailed Rationale

Availability of information from the client is a key factor in the assessment of credit risk. However, no operational or financial information has been provided by the company. Based on information available at the time of last review/surveillance, the ratings have been migrated to 'IVR BBB-/Stable Outlook and IVR A3 (IVR Triple B Minus with Stable Outlook and IVR A Three) ISSUER NOT COOPERATING '.

Non-cooperation by Issuer

- We have repeatedly followed up with the entity to provide the latest data for FY18 for annual surveillance, vide mails dated February 11, 2019, February 15 2019, April 22, 2019

and April 23, 2019 and concurrently over several phone calls. However, despite our repeated requests, the company has not submitted the relevant details. In the absence of relevant information, in consonance with SEBI guidelines, Infomerics has moved the long term rating for bank loan facilities of Vikram India Ltd. aggregating to Rs. 32.46 crore and short term rating for bank loan facilities aggregating to Rs.28.00 crore to the 'ISSUER NOT COOPERATING' category. The ratings are now denoted as IVR BBB-/Stable Outlook and IVR A3 ISSUER NOT COOPERATING (IVR Triple B Minus with Stable Outlook / IVR A Three ISSUER NOT COOPERATING). Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Analytical Approach & Applicable Criteria

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Company

Incorporated in 1974, Vikram India Limited (VIL, erstwhile Vikram Forging and Allied Industries Limited) is engaged in manufacturing of tea processing machinery from plucking to packing under the brand name "Vikram" and also engaged in execution of turnkey projects in the tea industry. The company also provides sales and services through its domestic offices in Kolkata, Siliguri, Tinsukia, Coonor and overseas offices in Colombo (Sri Lanka), Dhaka (Bangladesh), Nairobi (Kenya) as well as through marketing agents in all the tea producing areas of the world. It also provides customized project consultancy services and training packages to its clients. The manufacturing facilities of the company are located at Dhulagarh and Ghusuri of Howrah district in West Bengal. In order to diversify its operations, VIL has started manufacturing of module mounting structures (MMS) from November, 2016, which is mainly used in the solar power industry. Furthermore, the company is also planning to start manufacturing of string combiner boxes which are also used by the solar power sector. VIL is a part of Kolkata based, Vikram Group promoted and headed by Shri Hari Krishna Chaudhary (Chairman and MD).

Financials (Standalone)

(Rs. Crore)

For the year ended* / As On	31-03-2016	31-03-2017
	Audited	Audited
Total Operating Income	84.16	106.92
EBITDA	6.78	8.64
PAT	2.64	1.48
Total Debt	55.20	24.87
Tangible Net worth	22.18	28.72
EBITDA Margin (%)	8.05	8.08
PAT Margin (%)	3.00	1.38
Overall Gearing Ratio (x)	2.49	0.87

*Based on Infomerics classification

Status of non-cooperation with previous CRA: SMERA has flagged its rating to ‘Issuer not co-operating’ vide press release dated October 09, 2017 on account of failure of the borrower to submit information as required by SMERA.

Any other information: Nil

Rating History for last three years:

S. No.	Name of Instrument/Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Long-Term Debt-Term Loan	Long Term	2.46	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook) ISSUER NOT COOPERATING*	--	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook) (January 31, 2018)	--
2.	Long Term Fund based facilities-Cash Credit	Long Term	30.00	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook) ISSUER	--	IVR BBB-/Stable Outlook (IVR Triple B Minus with	--

				NOT COOPERATING*		Stable Outlook) (January 31, 2018)	
3.	Short Term Non Fund based facilities-PC/PCFC	Short Term	11.00	IVR A3 (IVR A Three) ISSUER NOT COOPERATING*	--	IVR A3 (IVR A Three) (January 31, 2018)	--
4.	Short Term Non Fund based facilities-Letter of Credit	Short Term	17.00	IVR A3 (IVR A Three) ISSUER NOT COOPERATING*		IVR A3 (IVR A Three) (January 31, 2018)	--

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.

Name and Contact Details of the Rating Analyst:

Name: Mr. Deepayan Ghosh

Tel: (033) 46022266

Email: deepayanghosh@infomerics.com

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.

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 Debt-Term Loan	-	Varied	-	2.46	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook) ISSUER NOT COOPERATING*
Long Term Fund based facilities-Cash Credit	-	-	-	30.00	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook) ISSUER NOT COOPERATING*
Short Term Non Fund based facilities-PC/PCFC	-	-	-	11.00	IVR A3 (IVR A Three) ISSUER NOT COOPERATING*
Short Term Non Fund based facilities-Letter of Credit				17.00	IVR A3 (IVR A Three) ISSUER NOT COOPERATING*