

Press Release

Vijay Transformers

April 15, 2019

Rating

Instrument / Facility	Amount (Rs. crore)	Rating	Rating Action
Long term Bank Facilities (Proposed)	2.50	IVR B+ / Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING*	Moved to ISSUER NOT COOPERATING Category and revised from IVR BB- with Stable Outlook
Long/Short term Bank Facilities (Proposed)	5.00	IVR B+ / Stable Outlook / IVR A4 (IVR Single B Plus with Stable Outlook / IVR A Four) ISSUER NOT COOPERATING*	Moved to ISSUER NOT COOPERATING Category and revised from IVR BB- with Stable Outlook / IVR A Four
Short term Bank Facilities (Proposed)	1.00	IVR A4 (IVR A Four) ISSUER NOT COOPERATING*	Moved to ISSUER NOT COOPERATING Category from IVR A Four
Total	8.50		

**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 B+/Stable Outlook and IVR A4 (IVR Single B with Stable Outlook and IVR A Four) ISSUER NOT COOPERATING'.

Non-cooperation by Issuer

Infomerics has repeatedly followed up with the company to provide information to monitor the rating(s) vide e-mails dated November 23, 2018, February 21, 2019, February 28, 2019, March 6, 2019 and April 2, 2019 and concurrently over several phone calls. However, despite repeated requests, the company has failed to submit the relevant details. In the absence of the relevant information and NDS, in consonance with SEBI guidelines, Infomerics has moved the long term rating for bank loan facilities of SVR Electricals Private Ltd. aggregating to Rs. 27.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB-

/Stable Outlook and IVR A4 ISSUER NOT COOPERATING (IVR Double B with Stable Outlook / IVR A Four 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.

The company has also not paid the fees for conducting rating surveillance as agreed to in the rating agreement.

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

Vijay Transformers (VT) was set up as a proprietary firm in 1992, as a manufacturer of transformers, which was later turned in to a partnership. It manufacture a range of distribution transformers with capacity up to 1600 kVA. The manufacturing facility is situated in Guntur, Andhra Pradesh, with a shop floor of 45000-50000 sq. ft, which is shared with its sister concern SVR Electricals Private Ltd.

Financials (Standalone)

(Rs. Crore)

For the year ended / Rs. Crs	31-03-2016	31-03-2017
	Audited	Audited
Total Operating Income	18.3	16.7
EBITDA	0.6	0.6
Interest	0.4	0.4
PAT	0.1	0.2
Total Debt	2.8	0.3
Tangible Net worth	2.1	1.8
<u>Ratios</u>		
a. EBIDTA Margin	3.1	3.8
b. PAT Margin	0.6	1.0
c. Overall Gearing ratio	1.3	0.2

Based on Infomerics classification

Status of non-cooperation with previous CRA: Nil

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 Bank Facility - CC Facility (Proposed)	Long Term	2.50	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING*	--	IVR BB-/Stable Outlook (IVR Double B Minus with Stable Outlook) (January 23, 2018)	--
2.	Long Term / Short Term Non-Fund Based Limits - Bank Guarantee (Proposed)	Long Term / Short Term	5.00	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook) and IVR A4 (IVR A Four) ISSUER NOT COOPERATING*	--	IVR BB-/Stable Outlook (IVR Double B Minus with Stable Outlook) and IVR A4 (IVR A Four) (January 23, 2018)	--
3.	Short Term Non-Fund Based Limits – Letter of Credit (Proposed)	Short Term	1.00	IVR A4 (IVR A Four) ISSUER NOT COOPERATING*	--	IVR A4 (IVR A Four) (January 23, 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.

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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.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Proposed CC Facility	-	-	-	2.50	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING*
Proposed Bank Guarantee	-	-	-	5.00	IVR B+/Stable Outlook (IVR Single B Plus with Stable Outlook) and IVR A4 (IVR A Four) ISSUER NOT COOPERATING*
Proposed Letter of Credit	-	-	-	1.00	IVR A4 (IVR A Four) ISSUER NOT COOPERATING*