

May 30, 2019

## Vibhor Steel Tubes (P) Limited: Ratings moved to Issuer Non Cooperating category

### Summary of Rated Instrument:

| Instrument                          | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action                                                                                                     |
|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Fund-based – Cash Credit            | 38.00                                | 38.00                               | [ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; Rating moved to be in the 'Issuer Not Cooperating' category          |
| Fund-based – Term loan              | 16.96                                | 16.96                               | [ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; Rating moved to be in the 'Issuer Not Cooperating' category          |
| Non-fund based – Letter of Credit   | 21.00**                              | 21.00**                             | [ICRA]A3 ISSUER NOT COOPERATING*; Rating moved to be in the 'Issuer Not Cooperating' category                     |
| Non-fund based – Bank Guarantee     | 21.00**                              | 21.00**                             | [ICRA]A3 ISSUER NOT COOPERATING*; Rating moved to be in the 'Issuer Not Cooperating' category                     |
| Fund-based – Forward Contract Limit | (5.00)***                            | (5.00)***                           | [ICRA]BBB- (Stable)/[ICRA]A3 ISSUER NOT COOPERATING*; Rating moved to be in the 'Issuer Not Cooperating' category |
| Fund-based – EPC/PCFC//EBC/FBD/ODBC | (5.00)***                            | (5.00)***                           | [ICRA]BBB- (Stable)/[ICRA]A3 ISSUER NOT COOPERATING*; Rating moved to be in the 'Issuer Not Cooperating' category |
| Fund-based – Derivative / CEL       | 0.10                                 | 0.10                                | [ICRA]BBB- (Stable)/[ICRA]A3 ISSUER NOT COOPERATING*; Rating moved to be in the 'Issuer Not Cooperating' category |
| Unallocated                         | 7.94                                 | 7.94                                | [ICRA]BBB- (Stable)/[ICRA]A3 ISSUER NOT COOPERATING*; Rating moved to be in the 'Issuer Not Cooperating' category |
| <b>Total</b>                        | <b>105.00</b>                        | <b>105.00</b>                       |                                                                                                                   |

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

\*\*fully interchangeable

\*\*\*sublimit of cash credit facility

^Instrument details are provided in Annexure-1

### Rating action

The rating for the Rs. 105.00 crore bank facilities of Vibhor Steel Tubes (P) Limited is moved to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BBB- (Stable) / [ICRA]A3 ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. 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 entity.

### Analytical approach

ICRA has applied its rating methodologies/policies as indicated below:

### Links to applicable criteria:

[Policy in respect of non-cooperation by the rated entity](#)

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### About the company:

VSTPL was promoted by Mr. Vibhor Kaushik and Mr. Vijay Kaushik in 2003. The company is engaged in manufacturing of hollow section, GI and ERW (Electric Resistance Welded) black pipes, ranging from size 1/2" to 8" in diameter. It has two manufacturing facilities, one located at Raigarh, Maharashtra; with a production capacity of 1,25,000 MT per annum and the second located in Mehboob Nagar, Telangana; with a production capacity of 96,000 MT per annum.

The previous detailed rating rationale is available on the following link: [Click here](#)

### Key financial indicators: NA

**Status of non-cooperation with previous CRA:** CRISIL BB (Stable) / CRISIL A4+ (Issuer Not Cooperating)  
(May 2018)

### Any other information

Not applicable

## Rating history for last three years

| Instrument              | Current Rating (FY2020) |                          |                               |                                                        | Chronology of Rating History for the past 3 years |                                |                                |
|-------------------------|-------------------------|--------------------------|-------------------------------|--------------------------------------------------------|---------------------------------------------------|--------------------------------|--------------------------------|
|                         | Type                    | Amount Rated (Rs. crore) | Amount Outstanding (Rs Crore) | Date & Rating                                          | Date & Date & Rating in FY2018                    |                                | Date & Rating in FY2017        |
|                         |                         |                          |                               |                                                        | in FY2019                                         |                                |                                |
|                         |                         |                          |                               | May 2019                                               | -                                                 | Nov 2017                       | Jan 2017                       |
| 1Cash Credit            | Long Term               | 38.00                    | -                             | [ICRA]BBB- (Stable) ISSUER NOT COOPERATING*            | -                                                 | [ICRA]BBB- (Stable)            | [ICRA]BB+ (Stable)             |
| 2Term Debt              | Long Term               | 16.96                    | Not available                 | [ICRA]BBB- (Stable) ISSUER NOT COOPERATING*            | -                                                 | [ICRA]BBB- (Stable)            | [ICRA]BB+ (Stable)             |
| 3Letter of Credit       | Short Term              | 21.00**                  | -                             | [ICRA]A3 ISSUER NOT COOPERATING*                       | -                                                 | [ICRA]A3                       | [ICRA]A4+                      |
| 4Bank Guarantee         | Short Term              | 21.00**                  |                               | [ICRA]A3 ISSUER NOT COOPERATING*                       | -                                                 | [ICRA]A3                       | [ICRA]A4+                      |
| 5Forward Contract Limit | Long Term / Short Term  | (5.00)***                |                               | [ICRA]BBB- (Stable) / [ICRA]A3 ISSUER NOT COOPERATING* | -                                                 | [ICRA]BBB- (Stable) / [ICRA]A3 | [ICRA]BB+ (Stable) / [ICRA]A4+ |
| 6EPC/PCFC//EBC/FBD/ODBC | Long Term / Short Term  | (5.00)***                |                               | [ICRA]BBB- (Stable) / [ICRA]A3 ISSUER NOT COOPERATING* | -                                                 | [ICRA]BBB- (Stable) / [ICRA]A3 | [ICRA]BB+ (Stable) / [ICRA]A4+ |
| 7Derivative / CEL       | Long Term / Short Term  | 0.10                     |                               | [ICRA]BBB- (Stable) / [ICRA]A3 ISSUER NOT COOPERATING* | -                                                 | [ICRA]BBB- (Stable) / [ICRA]A3 | [ICRA]BB+ (Stable) / [ICRA]A4+ |
| 8Unallocated            | Long Term / Short Term  | 7.94                     |                               | [ICRA]BBB- (Stable) / [ICRA]A3 ISSUER NOT COOPERATING* | -                                                 | [ICRA]BBB- (Stable) / [ICRA]A3 | [ICRA]BB+ (Stable) / [ICRA]A4+ |

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## Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1

### Instrument Details

| ISIN No | Instrument              | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook                             |
|---------|-------------------------|-----------------------------|-------------|---------------|--------------------------|--------------------------------------------------------|
| NA      | Cash Credit             | -                           | -           | -             | 38.00                    | [ICRA]BBB- (Stable) ISSUER NOT COOPERATING*            |
| NA      | Term Debt               | FY2014                      | -           | FY2020        | 16.96                    | [ICRA]BBB- (Stable) ISSUER NOT COOPERATING*            |
| NA      | Letter of Credit        | -                           | -           | -             | 21.00**                  | [ICRA]A3 ISSUER NOT COOPERATING*                       |
| NA      | Bank Guarantee          | -                           | -           | -             | 21.00**                  | [ICRA]A3 ISSUER NOT COOPERATING*                       |
| NA      | Forward Contract Limit  | -                           | -           | -             | (5.00)***                | [ICRA]BBB- (Stable) / [ICRA]A3 ISSUER NOT COOPERATING* |
| NA      | EPC/PCFC//EBC/FBD /ODBC | -                           | -           | -             | (5.00)***                | [ICRA]BBB- (Stable) / [ICRA]A3 ISSUER NOT COOPERATING* |
| NA      | Derivative / CEL        | -                           | -           | -             | 0.10                     | [ICRA]BBB- (Stable) / [ICRA]A3 ISSUER NOT COOPERATING* |
| NA      | Unallocated             | -                           | -           | -             | 7.94                     | [ICRA]BBB- (Stable) / [ICRA]A3 ISSUER NOT COOPERATING* |

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\*\*fully interchangeable

\*\*\*sublimit of cash credit facility

Source: Vibhor Steel Tubes (P) Limited

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