

May 22, 2024

Vir Electro Engineering Private Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	6.92	6.92	[ICRA]D;ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Unallocated	4.73	4.73	[ICRA]D;ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	12.35	12.35	[ICRA]D;ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	24.00	24.00	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term rating for the Bank facilities of Vir Electro Engineering Private Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D;ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Vir Electro Engineering Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Policy on Default recognition Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Established in 1996 by Mr. Shivaji S. Dalvi, Vir Electro Engineering Private Limited (VEE) is engaged in fabrication, galvanizing, spray painting and metalizing of steel structures for engineering companies like Crompton Greaves, ABB Ltd. and Siemens. The company is specialized in surface preparation and protection work as specified by customer and manufacturer of fabrication items. The company's manufacturing plants are located at Ambad and Gonde at Nashik. VEE has set up their manufacturing plant at Gonde, Nashik in January 2013. The total installed capacity of 2,600 MT per month for fabrication and galvanization.

The company is engaged in below line of activities:

- Fabrication

- Shot Blasting
- Galvanizing
- Zinc Spray Metalizing
- Spray Paint

Key financial indicators:

Standalone	FY 2022	FY 2023
Operating Income (Rs. crore)	28.52	7.19
PAT (Rs. crore)	0.03	-1.22
OPBDITA/OI (%)	16.10%	36.73%
PAT/OI (%)	0.09%	-17.00%
Total Outside Liabilities/Tangible Net Worth (times)	7.97	11.75
Total Debt/OPBDITA (times)	6.06	11.21
Interest Coverage (times)	1.32	0.95

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Type	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
			Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY 2023	Date & Rating in FY 2022	Date & Rating in FY 2021
					May 22, 2024	Mar 30, 2023	Jan 21, 2022	Nov 20, 2020
1	Fund Based-Cash Credit	Long Term	6.92	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D ; ISSUER NOT COOPERATING	[ICRA]D ; ISSUER NOT COOPERATING	[ICRA]D ; ISSUER NOT COOPERATING
2	Unallocated	Long Term	4.73	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D ; ISSUER NOT COOPERATING	[ICRA]D ; ISSUER NOT COOPERATING	[ICRA]D ; ISSUER NOT COOPERATING
3	Fund Based-Term Loan	Long Term	12.35	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term-Fund Based-Cash Credit	Simple
Long Term-Unallocated	Not Applicable
Long Term-Fund Based-Term Loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Fund Based-Cash Credit	-	-	-	6.92	[ICRA]D; ISSUER NOT COOPERATING
NA	Long Term-Unallocated	-	-	-	4.73	[ICRA]D; ISSUER NOT COOPERATING
NA	Long Term-Fund Based-Term Loan	-	-	-	12.35	[ICRA]D; ISSUER NOT COOPERATING

Source: Vir Electro Engineering Private Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Girishkumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Subhechha Banerjee

+91 33 7150 1130

subhechha.banerjee@icraindia.com

Sweety Shaw

+91 33 7150 1180

sweety.shaw@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 022-6169 3300

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



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