



Press Release

Vijay Transformers

July 1st, 2020

Ratings

Sl. No.	Instrument/Facility	Amount (INR. Crore)	Rating	Rating Action
1.	Long Term Fund Based Facility.	2.50	IVR B+ / Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING*	Reaffirmed
2.	Long Term/Short Term Non Fund Based Facility	5.00	IVR B+ / Stable Outlook / IVR A4 (IVR Single B Plus with Stable Outlook / IVR A Four) ISSUER NOT COOPERATING*	Reaffirmed
3.	Short Term Non Fund Based	1.00	IVR A4 (IVR A Four) ISSUER NOT COOPERATING*	Reaffirmed
	Total	8.50		

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating affirmation is because of lack of adequate information regarding Vijay Transformers performance and hence the uncertainty around its credit risk. 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 market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.



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Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated June 23, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

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 and short term ratings for the bank loan facilities aggregating to INR8.50 Crore of Vijay Transformers shall still be considered in the 'ISSUER NOT COOPERATING' category by Infomerics and the reaffirmed rating be noted for long term rating as 'IVR B+/stable: Issuer Not Co-operating; (IVR double B plus with stable Outlook: Issuer Not Co-operating) and short term rating of IVR A4 (IVR A Four: Issuer Not Cooperating); 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
- Rating Methodology for Manufacturing Companies
- Financial Ratios and 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.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

		Current Rating (Year 2020-21)	Rating History for the past 3 years
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S. No.	Name of Instrument/ Facilities	Type	Amount outstanding (INR. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20 (April 15, 2019)	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18 (Jan 23, 2018)
1.	Long Term Bank Facility - CC Facility	Long Term	2.50	IVR B+ / Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING	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)
2.	Long Term / Short Term Non-Fund Based Limits - Bank Guarantee	Long Term / Short Term	5.00	IVR B+ / Stable Outlook / IVR A4 (IVR Single B Plus with Stable Outlook / IVR A Four) ISSUER NOT COOPERATING	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)
3.	Short Term Non Fund Based Limits – Letter of Credit	Short Term	1.00	IVR A4 (IVR A Four) ISSUER NOT COOPERATING	IVR A4 (IVR A Four) ISSUER NOT COOPERATING	-	IVR A4 (IVR A Four)
	Total		8.50				

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 (INR Crore)	Rating Assigned/ Outlook
CC Facility	-	-	-	2.50	IVR B+ / Stable Outlook (IVR Single B Plus with Stable Outlook) ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	5.00	IVR B+ / Stable Outlook / IVR A4 (IVR Single B Plus with Stable Outlook /



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					IVR A Four) ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	1.00	IVR A4 (IVR A Four) ISSUER NOT COOPERATING*

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

