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## ICRA assigns LBBB-/A3 ratings to the bank facilities of Vinir Engineering Private Limited

ICRA has assigned an LBBB- (pronounced L triple B minus) rating with stable outlook to the Rs.94.7 million Term Loan Facility and Rs. 210.00 million Cash Credit Facility of Vinir Engineering Private Limited (VEPL)<sup>†</sup>. ICRA also assigns an A3 (pronounced A three) rating to the Rs. 40.0 million Export Packing Credit/PCFC, Rs.50 million Bank Guarantee limits and Rs.150.0 million Letter of Credit limit of VEPL<sup>†</sup>.

The rating takes into account VEPL's long operating track record, established relationship with key customers, significant experience of the promoters in the industry and moderate net profitability. The rating is however constrained by modest scale of VEPL's operations, competitive nature of industry and its relatively high gearing. Moreover, the ratings take into account VEPL's vulnerability to raw material price movement and degree of client concentration. Successful and timely implementation & utilization of new facility (capacity of 2000 ton per month) will remain a key rating sensitivity.

### About the company

Vinir Engineering Private Limited (VEPL) was established in 1983 by Mr. N.C.Gupta, a first generation entrepreneur. VEPL has established two metal forging units; older one at Bommasandra, Bangalore (capacity 600 ton per month) and recently established unit at Hosur, Tamilnadu (capacity 2000 tons per month). VEPL reported a PAT of Rs. 41.44 million on operating income of Rs. 721.58 million in 2008-09, as against corresponding figures of Rs. 32.97 million and Rs. 580.97 million in 2007-08. In 9M 2009-10 (provisional), VEPL reported PAT of Rs.26.40 million on operating income of Rs.428.10 million during the same period.

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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)

<sup>†</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.

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