

MARCH 10, 2016

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF BARODA EQUIPMENTS AND VESSELS PRIVATE LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term/ Short-term Bank Facilities	5.50	CARE BB / CARE A4 (Double B / A Four)	Reaffirmed
Short-term Bank Facilities	4.20 (enhanced from 3)	CARE A4 (A Four)	Reaffirmed
Total	9.70 (Rupees Nine crore Seventy lakh only)		

Rating Rationale

The ratings assigned to the bank facilities of Baroda Equipment and Vessels Private Limited (BEVPL) continue to remain constrained on account of its modest scale of operations in the highly capital-intensive industry coupled with working capital intensive nature of its operations marked by long operating cycle. The ratings were further constrained due to susceptibility of the operating margins to volatile raw material prices and foreign exchange rate fluctuations.

The ratings, however, continue to draw strength from the experienced and resourceful promoters, well-established clientele, certified product portfolio.

The ability of BEVPL to increase its scale of operations, strengthening its order book along with efficient working capital management and improving its profitability are the key rating sensitivities.

Background

Incorporated in October 2007, Vadodara based BEVPL is engaged in manufacturing of wide range of customized products like pressure vessels, heat exchangers, pressure piping, storage tanks, boiler pressure parts, skid mounted assemblies and miscellaneous static equipment for process plants. The manufacturing unit of BEVPL is located at Padra, Vadodara. The plant is approved for the manufacture of pressure vessels, heat exchangers and other static equipments. BEVPL is an approved shop under Indian Boiler Regulations, 1950, for manufacturing of boiler pressure parts under IBR Stamp. BEVPL also complies with the requirement of quality management system as specified under ISO 9001:2008 and Occupational Health and Safety Management System as specified under OHSAS 18001: 2007 by Bureau Veritas.

As per the audited results of FY15 (refers to the period April 1 to March 31), The BEVPL reported profit after tax (PAT) of Rs.0.19 crore on a total operating income (TOI) of Rs.23.61 crore as against

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

net loss of Rs.1.81 crore on a TOI of Rs.13.70 crore. During 11MFY16, BEVPL registered TOI of Rs.25 crore.

Analyst Contact

Name: Mr Vishal Joshi

Tel: 079- 40265613

Cell: + 91 8511190082

Email: vishal.joshi@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer: CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor 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 in addition to the financial performance and other relevant factors.

CONTACT

Head Office Mumbai

Mr. Sanjay Kumar Agarwal

Mobile: + 91 8108007676

E-mail: sanjay.agarwal@careratings.com

Mr. Amod Khanorkar

Mobile: + 91 9819084000

E-mail: amod.khanorkar@careratings.com

CREDIT ANALYSIS & RESEARCH LIMITED

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD

Mr. Mehul Pandya

 32, Titanium, Prahaladnagar Corporate Road,
 Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com

BENGALURU

Mr. Deepak Prajapati

 Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
 No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-9099028864

Tel: +91-80-4115 0445, 4165 4529

 E-mail: deepak.prajapati@careratings.com

CHANDIGARH

Mr. Sajan Goyal

 2nd Floor, S.C.O. 196-197, Sector 34-A,
 Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com

CHENNAI

Mr. V Pradeep Kumar

 Unit No. O-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com

COIMBATORE

Mr. V Pradeep Kumar

T-3, 3rd Floor, Manchester Square

Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com

HYDERABAD

Mr. Saikat Roy

 401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
 Hyderabad - 500 029.

Cell: + 91 9820998779

Tel: +91-40-4010 2030

E-mail: saikat.roy@careratings.com

JAIPUR

Mr. Nikhil Soni

 304, Pashupati Akshat Heights, Plot No. D-91,
 Madho Singh Road, Near Collectorate Circle,
 Bani Park, Jaipur - 302 016.

Cell: +91 - 95490 33222

Tel: +91-141-402 0213 / 14

 E-mail: nikhil.soni@careratings.com

KOLKATA

Ms. Priti Agarwal

 3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com

NEW DELHI

Ms. Swati Agrawal

 13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com

PUNE

Mr. Rahul Patni

 9th Floor, Pride Kumar Senate,
 Plot No. 970, Bhamburda, Senapati Bapat Road,
 Shivaji Nagar, Pune - 411 015.

Cell: +91-78754 33355

Tel: +91-20- 4000 9000

E-mail: rahul.patni@careratings.com

CIN - L67190MH1993PLC071691