

Press Release

Vardhman Industries Limited

November 13, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 125.37 Cr #
Long Term Rating	ACUITE D Issuer not co-operating*
Short Term Rating	ACUITE D Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Acuité has reviewed the long term rating of '**ACUITE D' (read as ACUITE D)** and short term rating of '**ACUITE D' (read as ACUITE D)** on the Rs. 125.37 crore bank facilities of Vardhman Industries Limited (VIL). This rating is now an indicative rating and is based on best available information.

Incorporated in 1984, VIL is engaged in the manufacturing of galvanised steel sheets, colour coated steel sheets, precision tubes and steel ingots at Ludhiana.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
23 August, 2018	Cash Credit	Long Term	45.00	ACUITE D Issuer not co-operating*
	Letter of Credit	Short Term	25.00	ACUITE D Issuer not co-operating*

	Cash Credit	Long Term	15.00	ACUITE D Issuer not co-operating*
	Term loan	Long Term	17.07	ACUITE D Issuer not co-operating*
	Term loan	Long Term	5.00	ACUITE D Issuer not co-operating*
	Standby Line of Credit	Short Term	4.00	ACUITE D Issuer not co-operating*
	Letter of Credit	Short Term	13.50	ACUITE D Issuer not co-operating*
	Proposed Long Term Loan	Short Term	0.80	ACUITE D Issuer not co-operating*
30 June, 2017	Cash Credit	Long Term	45.00	ACUITE D (Downgraded)
	Letter of Credit	Short Term	25.00	ACUITE D (Downgraded)
	Cash Credit	Long Term	15.00	ACUITE D (Downgraded)
	Term loan	Long Term	17.07	ACUITE D (Downgraded)
	Term loan	Long Term	5.00	ACUITE D (Downgraded)
	Standby Line of Credit	Short Term	4.00	ACUITE D (Downgraded)
	Letter of Credit	Short Term	13.50	ACUITE D (Downgraded)
	Proposed Long Term Loan	Short Term	0.80	ACUITE D (Assigned)
15 March, 2016	Cash Credit	Long Term	45.00	ACUITE BBB/Negative (Reaffirmed)
	Letter of Credit	Short Term	25.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB/Negative (Assigned)
	Term loan	Long Term	17.07	ACUITE BBB/Negative (Assigned)
	Term loan	Long Term	5.00	ACUITE BBB/Negative (Assigned)
	Standby Line of Credit	Short Term	3.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	13.50	ACUITE A3+ (Assigned)
	Derivative Exposure	Short Term	0.80	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A3+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit#	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE D Issuer not co-operating*
Letter of Credit##	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE D Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D Issuer not co-operating*
Term loan	Not Applicable	Not Applicable	Not Applicable	17.07	ACUITE D Issuer not co-operating*

Term loan	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE D Issuer not co-operating*
Standby Line of Credit###	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	13.50	ACUITE D Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.80	ACUITE D Issuer not co-operating*

#sublimit is EPC/PCFC to the extent of Rs.4.00 crore and FBD/EBR to the extent of Rs.12.25 crore.

##sublimit is bank guarantee to the extent of Rs.0.50 crore.

###include cash management services of Rs.1.00 crore in Stand by Line of Credit

*The issuer did not co-operate; based on best available information.

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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