

Press Release

Vardhman Industries Limited

April 28, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	38.50	-	ACUITE D Reaffirmed Issuer not co-operating*
Bank Loan Ratings	86.87	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	125.37	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed 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). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Incorporated in 1984, VIL is engaged in the manufacturing of galvanised steel sheets, colour coated steel sheets, precision tubes and steel ingots at Ludhiana. The company is promoted by Ashwani Kumar Sharma and Kaustubh Sudhakar Kulkarni.

Non-cooperation by the issuer/borrower:

Acuite 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 the due date. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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.

Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

Not Applicable.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable.

Other Factors affecting Rating

Not Applicable.

Status of non-cooperation with previous CRA

None.

Any other information

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

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Jan 2021	Term Loan	Long Term	5.00	ACUITE D (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.80	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	17.07	ACUITE D (Issuer not co-operating*)
	Letter of Credit	Short Term	13.50	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	45.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	15.00	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	25.00	ACUITE D (Issuer not co-operating*)
13 Nov 2019	Letter of Credit	Short Term	25.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	17.07	ACUITE D (Issuer not co-operating*)
	Standby Line of Credit	Long Term	4.00	ACUITE D (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.80	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	45.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Letter of Credit	Short Term	13.50	ACUITE D (Issuer not co-operating*)
23 Aug 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	Long Term	0.80	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	45.00	ACUITE D (Downgraded from ACUITE BBB Negative)
	Letter of Credit	Short Term	25.00	ACUITE D (Downgraded from ACUITE A3+)
		Long		ACUITE D (Downgraded from ACUITE BBB Negative)
30 Jun 2017	Cash Credit	Term	15.00	ACUITE D (Downgraded from ACUITE BBB Negative)
	Term Loan	Long Term	17.07	ACUITE D (Downgraded from ACUITE BBB Negative)
	Term Loan	Long Term	5.00	ACUITE D (Downgraded from ACUITE BBB Negative)
	Standby Line of Credit	Short Term	4.00	ACUITE D (Downgraded from ACUITE A3+)
	Letter of Credit	Short Term	13.50	ACUITE D (Downgraded from ACUITE A3+)
	Proposed Long Term Loan	Long Term	0.80	ACUITE D (Assigned)
	Cash Credit	Long Term	45.00	ACUITE BBB Negative (Reaffirmed)
	Letter of Credit	Short Term	25.00	ACUITE A3+ (Reaffirmed)

15 Mar 2016	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)
21 Jan 2016	Cash Credit	Long Term	9.00	ACUITE BBB Stable (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A3+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE D Reaffirmed Issuer not co-operating*
IDBI Bank Ltd.	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE D Reaffirmed Issuer not co-operating*
IDBI Bank Ltd.	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	13.50	ACUITE D Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.80	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	17.07	ACUITE D Reaffirmed Issuer not co-operating*
IDBI Bank Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	5.00	ACUITE D Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

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