



**Press Release**  
**Vardhman Industries Limited**  
**October 23, 2024**  
**Rating Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	82.87	ACUITE D   Reaffirmed   Issuer not co-operating*	-
Bank Loan Ratings	42.50	-	ACUITE D   Reaffirmed   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	125.37	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	0.00	-	-

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

**Rating Rationale**

Acuite has reaffirmed the long-term rating of ‘**ACUITE D**’ (read as **ACUITE Da**) 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, Vardhman Industries Limited (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 Ms. Ashwani Kumar Sharma and Mr. Kaustubh Sudhakar Kulkarni. The registered office of the company is in Ludhiana.

**Unsupported Rating**

Not Applicable

**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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’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). 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.

#### **Rating Sensitivity**

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

### **Liquidity Position**

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

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	443.17	346.42
PAT	Rs. Cr.	10.88	24.79
PAT Margin	(%)	2.45	7.16
Total Debt/Tangible Net Worth	Times	0.20	0.32
PBDIT/Interest	Times	8.22	12.28

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

None

## Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Jul 2023	Proposed Long Term Loan	Long Term	0.80	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	45.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	17.07	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Short Term	4.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	25.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	13.50	ACUITE D (Reaffirmed & Issuer not co-operating*)
28 Apr 2022	Proposed Long Term Loan	Long Term	0.80	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	45.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Short Term	4.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	17.07	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	25.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	13.50	ACUITE D (Reaffirmed & Issuer not co-operating*)
27 Jan 2021	Cash Credit	Long Term	45.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	25.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	13.50	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.80	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Short Term	4.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	17.07	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE D (Reaffirmed & Issuer not co-operating*)

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

## Annexure - Details of instruments rated

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

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

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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