

Press Release

Vashu Yarn Mills India Private Limited (VYMIPL)

September 28, 2017

Rating Downgraded (Indicative)



Total Bank Facilities Rated*	Rs. 13.00 Cr.
Long Term Rating	SMERA D (Downgraded from SMERA BB/Stable)
Short Term Rating	SMERA D (Downgraded from SMERA A4+)

* Refer Annexure for details, based on best available information.

SMERA has downgraded the long-term rating and short term rating to '**SMERA D**' (read as '**SMERA D**') on the Rs. 13.00 crore bank facilities of Vashu Yarn Mills India Private Limited (VYMIPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

SMERA 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 is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA'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). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

VYMIPL, incorporated in 2003, is a Tamil Nadu-based company promoted by Mr. Arunachalam Mahesh, Mr. Vasudevan Gomathi, Mr. K S Vasudevan and Mr. Mahesh Shanmugapriya. The company is engaged in the manufacturing of cotton yarn at Vijayamangalam (Tamil Nadu), with installed capacity of 18000 spindles. Further, the company has a windmill with installed capacity of 2.5-megawatt wind power for own consumption and also for commercial purposes.

For FY2014-15, VYMIPL reported profit after tax (PAT) of Rs.0.85 crore on operating income of Rs.39.62 crore, as compared with PAT of Rs.1.25 crore on operating income of Rs.45.46 crore in FY2013-14.

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
02-May-2016	Dropline Overdraft	Long Term	INR 7.00	SMERA BB / Stable (Assigned)
	Term Loan	Long Term	INR 4.60@	SMERA BB / Stable (Assigned)
	Letter of Credit	Short Term	INR 1.00	SMERA A4+ (Assigned)
	Bank Guarantee	Short Term	INR 0.40	SMERA A4+ (Assigned)

@Includes sublimit of FLC upto Rs.1.59 crore

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Dropline Overdraft	Not Applicable	Not Applicable	Not Applicable	7.00	SMERA D (Downgraded)
Term loan	Not Applicable	Not Applicable	Not Applicable	4.60@	SMERA D (Downgraded)
Letter of credit	Not Applicable	Not Applicable	Not Applicable	1.00	SMERA D (Downgraded)
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	0.40	SMERA D (Downgraded)

@Includes sublimit of FLC upto Rs.1.59 crore

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities, and capital

market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits etc.. For more details, please visit www.smera.in.

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