



Press Release

Vashu Yarn Mills India Private Limited

October 13, 2018

Rating Update

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|-------------------------------------|--------------------------------------|
| Total Bank Facilities Rated* | Rs. 13.00 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.

Rating Rationale

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. 13.00 crore bank facilities of Vashu Yarn Mills India Private Limited. This rating is now an indicative rating and is based on best available information.

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 is therefore being 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-17.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.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 endeavoured 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:

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.

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 (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-------------|---------------------------------|------------|-----------------|--------------------------------|
| 28th Sep 17 | Dropline Overdraft | Long term | 7.00 | ACUITE D (Indicative) |
| | Term Loan | Short Term | 4.60* | ACUITE D (Indicative) |
| | Letter of Credit | Short Term | 1.00 | ACUITE D (Indicative) |
| | Bank Guarantee | Short Term | 0.40 | ACUITE D (Indicative) |
| 2nd May 16 | Dropline Overdraft | Long term | 7.00 | ACUITE BB/Stable (Assigned) |
| | Term Loan | Long term | 4.60* | ACUITE BB/Stable (Assigned) |
| | Letter of Credit | Short Term | 1.00 | ACUITE A4+ (Assigned) |
| | Bank Guarantee | Short Term | 0.40 | ACUITE 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. Crore) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-------------------------------|--------------------------------------|
| Dropline Overdraft | Not Applicable | Not Applicable | Not Applicable | 7.00 | ACUITE D Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 4.60* | ACUITE D Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 1.00 | ACUITE D Issuer not co-operating* |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 0.40 | ACUITE D Issuer not co-operating* |

*Includes sublimit of FLC upto Rs. 1.59 crore

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

Contacts

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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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