

Press Release

Vashu Yarn Mills India Private Limited

January 10, 2020

Rating Update



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.

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.

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.

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/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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 - Key Financials

The rated entity has not shared the latest Financial Statements despite repeated attempts.

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

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
13-Oct-2018	Dropline Overdraft	Long Term	7.00	ACUITE D Issuer not co-operating*
	Term Loan	Long Term	4.60**	ACUITE D Issuer not co-operating*
	Letter of Credit	Short Term	1.00	ACUITE D Issuer not co-operating*
	Bank Guarantee	Short Term	0.40	ACUITE D Issuer not co-operating*
28-Sep-2017	Dropline Overdraft	Long Term	7.00	ACUITE D Issuer not co-operating*
	Term Loan	Long Term	4.60**	ACUITE D Issuer not co-operating*
	Letter of Credit	Short Term	1.00	ACUITE D Issuer not co-operating*
	Bank Guarantee	Short Term	0.40	ACUITE D Issuer not co-operating*
02-May-2016	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)

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

**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*

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

Contacts

Analytical	Rating Desk
Pooja Ghosh Head- Corporate and Infrastructure Sector Ratings Tel: 033-6620 1203 pooja.ghosh@acuite.in Priyanka Rath Analyst - Rating Operations Tel: 033-6620-1210 priyanka.rathi@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

About Acuite Ratings & Research:

Acuite 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.

Disclaimer: An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuite.