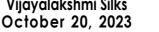


#### Press Release

Vijayalakshmi Silks

Rating Reaffirmed and Issuer not co-operating





Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings 12.50		ACUITE B+   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	12.50	-	-

# **Rating Rationale**

Acuité has reaffirmed the long-term rating of 'ACUITE B+' (read as ACUITE B plus) on the Rs. 12.50 crore bank facilities of Vijayalakshmi Silks (VS). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

# About the Company

Vijayalakshmi Silks, a Bangalore-based partnership firm was established in 2001 by Mr. M. Jeevanand and Mr. J. Lohitanand. The firm, a family run business, is engaged in the wholesale trading of silk sarees and is one of the distributors of Nalli Silk and Hosiyar Silk, which are reputed silk retailers in India.

### 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 the due date.

Acuité believes that information risk is a critical component in such ratings, and noncooperation 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.

# **All 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

# **Key Financials**

Particulars	Unit	FY 18 (Actual)	FY 17 (Actual)
Operating Income	Rs. Cr.	88.26	85.41
PAT	Rs. Cr.	1.41	1.36
PAT Margin	(%)	1.60	1.60
Total Debt/Tangible Net Worth	Times	4.22	3.04
PBDIT/Interest	Times	2.24	2.56

Status of non-cooperation with previous CRA

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.

# **Applicable Criteria**

- Trading Entities: https://www.acuite.in/view-rating-criteria-61.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, Acuité 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.

# Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook		
27 Jul	Cash Credit	Long Term	10.50	ACUITE B+ (Issuer not co-operating*)		
2022	Proposed Cash Credit	Long Term	2.00	ACUITE B+ ( Issuer not co-operating*)		
28 Apr	Proposed Cash Credit	Long Term	2.00	ACUITE B+ (Downgraded and Issuer not co-operating*)		
2021	Cash Credit	Long Term	10.50	ACUITE B+ (Downgraded and Issuer not co-operating*)		
04 Feb	Proposed Cash Credit	Long Term	2.00	ACUITE BB- (Issuer not co-operating*)		
2020	Cash Credit	Long Term	10.50	ACUITE BB- (Issuer not co-operating*)		

# Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Karur Vysya Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.50	ACUITE B+  Reaffirmed  Issuer  not co- operating*
Not Applicable	Not Applicable	Proposed Cash Credit	1901	Not Applicable	Not Applicable	Simple	2.00	ACUITE B+  Reaffirmed  Issuer  not co- operating*

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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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