



Press Release
Vijayalakshmi Silks
October 20, 2023

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

Acuite 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:

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.

Acuite 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 Acuite'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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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 2022 | Cash Credit | Long Term | 10.50 | ACUITE B+ (Issuer not co-operating*) |
| | Proposed Cash Credit | Long Term | 2.00 | ACUITE B+ (Issuer not co-operating*) |
| 28 Apr 2021 | Proposed Cash Credit | Long Term | 2.00 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 10.50 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| 04 Feb 2020 | Proposed Cash Credit | Long Term | 2.00 | ACUITE BB- (Issuer not co-operating*) |
| | 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 | Not Applicable | Not Applicable | Not Applicable | Simple | 2.00 | ACUITE B+ Reaffirmed Issuer not co- operating* |

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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