

Press Release

Velan Kraft House Private Limited

December 09, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 35.00 Cr.#
Long Term Rating	ACUITE BB (Downgraded from ACUITE BBB-) Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuite has downgraded long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 35.00 crore bank facilities of VELAN KRAFT HOUSE PRIVATE LIMITED. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Velan Kraft House Private Limited was incorporated in 1972 as a proprietary concern by Mr. Santana Krishnan and got converted its current name in 2001. The company is engaged in re-cycling of waste paper to be reused in paper manufacturing. Waste and scrap paper from various sources, sorts and processes the same and make it readily usable by the paper mills for paper manufacturing.

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 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.

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). Acuite endeavoured 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

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
17-Sep-18	Secured Overdraft	Long Term	15.00	ACUITE BBB- (Indicative)
	Cash Credit	Long Term	20.00	ACUITE BBB-

				(Indicative)
28-Jun-17	Secured Overdraft	Long Term	15.00	ACUITE BBB-/Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE BBB-/Stable (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE BB (Downgraded from ACUITE BBB-) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB (Downgraded from ACUITE BBB-) Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in Parth Pandit Rating Analyst - Rating Operations Tel: 022-49294032 parth.pandit@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-49294022 rating.desk@acuite.in

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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