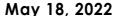


Press Release

Velan Kraft House Private Limited



Rating Downgraded and Issuer not co-operating



| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|---------------------|---|----------------------|
| Bank Loan Ratings | 35.00 | ACUITE B+ Downgraded Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 35.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuité has downgraded the long term rating to 'ACUITE B+' (read as ACUITE B plus) from 'ACUITE BB-' (read as ACUITE double 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.

About the Company

Tamali Nadu - 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 recycling 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:

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.

This rating continues to be 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.

About the Rated Entity - Key Financials

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

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material 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

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

- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm

Note on Complexity Levels of the Rated Instrument

https://www.acuite.in/view-rating-criteria-55.htm

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|----------------|-----------------------------------|--------------|-----------------|--|
| 12 Feb 2021 | Cash Credit | Long Term | 20.00 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 15.00 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| 09 Dec | Secured Overdraft | Long Term | 15.00 | ACUITE BB (Issuer not co-operating*) |
| 2019 | Cash Credit | Long Term | 20.00 | ACUITE BB (Issuer not co-operating*) |
| 17 Sep 2018 | Secured Overdraft | Long Term | 15.00 | ACUITE BBB- (Issuer not co-operating*) |
| | Cash Credit | Long Term | 20.00 | ACUITE BBB- (Issuer not co-operating*) |
| 28 Jun 2017 | 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

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Rating |
|------------------------|-------------------|----------------|-------------------|-------------------|-------------------|----------------------|---|
| Karur Vysya Bank | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 20.00 | ACUITE B+ Downgraded Issuer not co- operating* (from ACUITE BB-) |
| Karur Vysya Bank | Not Applicable | Overdraft | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE B+ Downgraded Issuer not co- operating* (from ACUITE BB-) |

Contacts

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|--|--|
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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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