

Press Release

Velan Kraft House Private Limited

June 15, 2022



Rating Downgraded and Issuer not co-operating

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Total Withdrawn Quantum (Rs.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

Rating Rationale

ACUITE has downgraded the rating to '**ACUITE C' (read as ACUITE C)** on Rs.35.0 crore bank facilities of **Velan Kraft House Private Limited**, on account of ongoing delays in account (not rated by ACUITE, which indicates liquidity stress in the company). The downgrade also factors in the existing information risk. The rating continues to be flagged as **"Issuer Not- Cooperating"**

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:

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.

This rating continues to be 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.

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

The company has not shared latest No Default Statement

Status of non-cooperation with previous CRA

IVR has placed the rating at IVR D; Issuer Not Cooperating vide PR dated June 10, 2022

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

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
18 May 2022	Secured Overdraft	Long Term	15.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	20.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
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 2019	Secured Overdraft	Long Term	15.00	ACUITE BB (Issuer not co-operating*)
	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 C Downgraded Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE C Downgraded 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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