

Press Release

Vardhman Cables and Conductors

July 08, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.00	ACUITE B Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	45.00	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	48.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of 'ACUITE B' (read as ACUITE B) and the short-term rating of 'ACUITE A4' (read as ACUITE A four) on the Rs.48.00 Cr bank facilities Vardhman Cables and Conductors (VCC). The rating is flagged as "Issuer Not-Cooperating" on account of non submission of No Default Statement for more than nine months.

About the Company

Vardhman Cables and Conductors (Vardhman Cables) was established as a partnership firm in 1993 at Karnataka by Mr. Pravin Jain and Mr. S D Gandhi. The firm manufactures electrical cables and conductors and has installed capacity of 7000 Km/year and 25000 Km/year respectively.

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 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 ratings is based.

Rating Sensitivities

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials:

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

Status of non-cooperation with previous CRA

Not Applicable

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

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
22 Sep 2021	Bank Guarantee	Short Term	15.00	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE B Stable (Reaffirmed)
	Bills Discounting	Short Term	2.00	ACUITE A4 (Withdrawn)
	Bills Discounting	Short Term	15.00	ACUITE A4 (Reaffirmed)
27 Jan 2021	Bills Discounting	Short Term	24.50	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	3.50	ACUITE B (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	15.00	ACUITE A4 (Issuer not co-operating*)
	Bank Guarantee	Short Term	7.00	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	3.50	ACUITE B+ Stable (Reaffirmed)

05 Feb 2019	Bank Guarantee	Short Term	7.00	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A4 (Reaffirmed)
	Bills Discounting	Short Term	24.50	ACUITE A4 (Reaffirmed)
19 Sep 2018	Cash Credit	Long Term	3.50	ACUITE B+ (Issuer not co-operating*)
	Bills Discounting	Short Term	24.50	ACUITE A4 (Issuer not co-operating*)
	Bank Guarantee	Short Term	7.00	ACUITE A4 (Issuer not co-operating*)
	Letter of Credit	Short Term	15.00	ACUITE A4 (Issuer not co-operating*)
26 Aug 2017	Cash Credit	Long Term	3.50	ACUITE B+ Stable (Assigned)
	Bills Discounting	Short Term	24.50	ACUITE A4 (Assigned)
	Bank Guarantee	Short Term	7.00	ACUITE A4 (Assigned)
	Letter of Credit	Short Term	15.00	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4 Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in Srijita Chatterjee Analyst-Rating Operations Tel: 022-49294065 srijita.chatterjee@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.