



Press Release

Vinod Denim Limited

February 09, 2021

Rating Update

Total Bank Facilities Rated*	Rs. 33.02 crore
Long Term Rating	ACUITE BB (Downgraded; Issuer not co-operating)
Short Term Rating	ACUITE A4 (Downgraded; Issuer not co-operating)

* Refer Annexure for details

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BB+**' (**read as ACUITE double B plus**) and the short term rating to '**ACUITE A4**' (**read as ACUITE A four**) from '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 33.02 crore bank facilities of Vinod Denim Limited (VDL). The rating is on account of the best available information.

VDL was incorporated in 2009 by the Mittal family and is engaged in manufacturing of wide range of denim fabric. The company commenced its operations from 2011. The company purchases raw cotton yarn and undertakes warping, sizing and texturizing activity in-house, along with dyeing and finishing process. The company sells finished denim fabric (indigo dyed) to traders in Delhi, Ulhasnagar, Kolkata and Ahmedabad.

About the Group

Based in Ahmedabad, Vinod group (VG) was established in the year 1983. The group is engaged in spinning, weaving, processing and trading of textile products. The group provides diversified products including yarn, grey fabric and denim fabric, to name a few. The group comprises of seven companies which comprises of Vinod Denim Limited (VDL), Vinod Fabrics Private Limited (VFPL), United Polyfab Private Limited (UPPL), United Polyfab Gujarat Limited (UPGL), Vinod Spinners Private Limited (VSPL), Vinod Cottfab Private Limited (VCFPL) and United Techfab Private Limited (UTPL) in the textile division. The group is promoted by Mittal family and has presence of over three decades in the textile industry. Further, VG is having presence in various industries including textile industry, education sector and real estate.

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 is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

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

Liquidity Indicators- "No information provided by the issuer / available for Acuité to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuité to comment upon."

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)

Brickworks, vide its press release dated July 23, 2020 had denoted the rating of Vinod Denim Limited as 'BWR BB-/ Stable/ BWR A4; Issuer not co-operating' on account of lack of adequate information required for monitoring of ratings. The earlier rating, however, stood at 'BWR BBB-/ Stable/ ACUITE A3; Issuer not co-operating' vide its press release dated August 06, 2019.

Any other information

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

Rating History (Up to last three years)

Date	Name of the instrument/ facilities	Term	Amount (Rs. Cr.)	Ratings/ Outlook
November 15, 2019	Cash Credit	Long-term	15.00	ACUITE BB+/ Stable (Downgraded)
	Term Loans	Long-term	1.89	ACUITE BB+/ Stable (Downgraded)
	Term Loans	Long-term	4.03	ACUITE BB+/ Stable (Downgraded)
	Term Loans	Long-term	1.23	ACUITE BB+/ Stable (Downgraded)
	Term Loans	Long-term	9.31	ACUITE BB+/ Stable (Downgraded)
	Proposed Long-Term Facility	Long-term	1.06	ACUITE BB+/ Stable (Downgraded)
	Bank Guarantee	Short-term	0.50	ACUITE A4+ (Downgraded)
March 28, 2019	Cash Credit	Long-term	15.00	ACUITE BBB-/ Stable (Reaffirmed)

	Term Loans	Long-term	1.89	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loans	Long-term	4.03	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loans	Long-term	1.23	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loans	Long-term	1.06	ACUITE BBB-/ Stable (Assigned)
	Proposed Long-Term Facility	Long-term	9.31	ACUITE BBB-/ Stable (Reaffirmed)
	Bank Guarantee	Short-term	0.50	ACUITE A3 (Reaffirmed)
January 16, 2019	Cash Credit	Long-term	15.00	ACUITE BBB- Issuer not co-operating*
	Term Loans	Long-term	2.51	ACUITE BBB- Issuer not co-operating*
	Term Loans	Long-term	4.74	ACUITE BBB- Issuer not co-operating*
	Term Loans	Long-term	0.28	ACUITE BBB- Issuer not co-operating*
	Term Loans	Long-term	10.09	ACUITE BBB- Issuer not co-operating*
	Bank Guarantee	Short-term	0.40	ACUITE A3 Issuer not co-operating*
November 17, 2017	Cash Credit	Long-term	15.00	ACUITE BBB-/ Stable (Assigned)
	Term Loans	Long-term	2.51	ACUITE BBB-/ Stable (Assigned)
	Term Loans	Long-term	4.74	ACUITE BBB-/ Stable (Assigned)
	Term Loans	Long-term	0.28	ACUITE BBB-/ Stable (Assigned)
	Term Loans	Long-term	10.09	ACUITE BBB-/ Stable (Assigned)
	Bank Guarantee	Short-term	0.40	ACUITE A3 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/ Outlook
Cash Credit	Not applicable	Not applicable	Not applicable	15.00	ACUITE BB (Downgraded; Issuer not-cooperating*)
Term Loans	Not available	Not applicable	Not available	1.89	ACUITE BB (Downgraded; Issuer not-cooperating*)
Term Loans	Not available	Not applicable	Not available	4.03	ACUITE BB (Downgraded; Issuer not-cooperating*)
Term Loans	Not available	Not applicable	Not available	1.23	ACUITE BB (Downgraded; Issuer not-cooperating*)
Term Loans	Not available	Not applicable	Not available	9.31	ACUITE BB (Downgraded; Issuer not-cooperating*)
Proposed Long-Term Facility	Not applicable	Not applicable	Not applicable	1.06	ACUITE BB (Downgraded; Issuer not-cooperating*)
Bank Guarantee	Not applicable	Not applicable	Not applicable	0.50	ACUITE A4 (Downgraded; Issuer not-operating*)

Contacts

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Charu Mahajan Rating Analyst - Rating Operations Tel: 011-49731313 charu.mahajan@acuite.in	

About Acuité Ratings & Research:

Acuité Ratings & Research 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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