



Press Release
Vinod Denim Limited
May 11, 2022

Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.50	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Bank Loan Ratings	32.52	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	33.02	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reaffirmed the short term rating to '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 33.02 crore bank facilities of Vinod Denim Limited (VDL). The rating is on account of the best available information. This rating is continuously flagged as Issuer Not Cooperating.

About the Company

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 Cotfab 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:

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 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). 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 Acuité 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
09 Feb 2021	Term Loan	Long Term	9.31	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.03	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	1.06	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.89	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.23	ACUITE BB (Downgraded and Issuer not co-operating*)
15 Nov 2019	Term Loan	Long Term	1.89	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Proposed Bank Facility	Long Term	1.06	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	1.23	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	4.03	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Downgraded from ACUITE A3)
	Cash Credit	Long Term	15.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	9.31	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
28 Mar 2019	Term Loan	Long Term	1.23	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	9.31	ACUITE BBB- Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	1.06	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.89	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.03	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Reaffirmed)
16 Jan 2019	Term Loan	Long Term	4.74	ACUITE BBB- (Issuer not co-operating*)
	Bank Guarantee	Short Term	0.40	ACUITE A3 (Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE BBB- (Issuer not co-operating*)
	Term Loan	Long Term	0.28	ACUITE BBB- (Issuer not co-operating*)
	Term Loan	Long Term	10.09	ACUITE BBB- (Issuer not co-operating*)
		Long		

	Term Loan	Term	2.51	ACUITE BBB- (Issuer not co-operating*)
17 Nov 2017	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.51	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	4.74	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.28	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	10.09	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	0.40	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE BB- Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.06	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	9.31	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.89	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	4.03	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.23	ACUITE BB- Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

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