



**Press Release**  
**VINOD DENIM LIMITED**  
**June 07, 2023**

**Downgraded, Withdrawn and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Ratings</b> <b>Loan</b>	31.46	ACUITE B+   Downgraded & Withdrawn   Issuer not co-operating*	-
<b>Bank Ratings</b> <b>Loan</b>	1.06	Not Applicable   Withdrawn	-
<b>Bank Ratings</b> <b>Loan</b>	0.50	-	ACUITE A4   Reaffirmed & Withdrawn   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	0.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	33.02	-	-

**Rating Rationale**

Acuite has downgraded and withdrawn the long-term rating from '**ACUITE B+**' (read as **ACUITE double B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) for the BLR facilities of Rs 31.46, and has Reaffirmed and withdrawn the short-term rating of '**ACUITE A4**' (read as **ACUITE A Four**) on the the BLR facilities of Rs 0.50 of Vinod Denim Limited (VDL).

The long term rating was withdrawn for the proposed limit on the Rs. 1.06 crore bank facilities of Vinod Denim Limited (VDL).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.

The rating has been withdrawn on Acuite's policy of withdrawal of ratings. The rating has been withdrawn on account of the request received from the company, and the NOC received from the banker.

**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.

**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 noncooperation 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 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 endeavoured 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 statement for Acuite to comment.

**Rating Sensitivity**

No information has been shared by the entity/ available for Acuite to comment.

**Material Covenants**

None

**Liquidity Position**

No information has been shared by the entity/ available for Acuite to comment.

**Outlook:**

Not Applicable

**Other Factors affecting Rating**

None

**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**

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 May 2022	Cash Credit	Long Term	15.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.03	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.23	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	9.31	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 ( Issuer not co-operating*)
	Proposed Bank Facility	Long Term	1.06	ACUITE BB- (Downgraded and Issuer not co-operating*)
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*)

## Annexure - Details of instruments rated

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