

Press Release

Vardhman Sales Agency

July 24, 2020

Rating Update



Total Bank Facilities Rated*	Rs.41.00 Cr. #
Long Term Rating	ACUITE BB Issuer not co-operating* (Downgraded from ACUITE BB+/Stable)
Short Term Rating	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; based on best available information.

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 reaffirmed the short term rating of **'ACUITE A4+' (read as ACUITE A four plus)** on the Rs.41.00 crore bank facilities of Vardhman Sales Agency (VSA). This rating is now an indicative rating and is based on the best available information. The rating downgrade is on account of information risk.

New Delhi based, Vardhman Sales Agency (VSA) was established in 1988 as a partnership firm. The current partners of the firm are Mrs. Rachna Kumar Jain and her son Mr. Akshay Kumar Jain. The firm is engaged in trading of various ferrous and non-ferrous metals such as aluminium, zinc, brass, and copper scrap.

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

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Sector Entities- <https://www.acuite.in/view-rating-criteria-61.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 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 statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

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.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
17-May-19	Cash Credit*	Long Term	10.00	ACUITE BB+/Stable (Upgraded from ACUITE BB/Stable)
	Cash Credit**	Long Term	7.00	ACUITE BB+/Stable (Upgraded from ACUITE BB/Stable)
	Bill Discounting	Short Term	1.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit***	Short Term	10.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit#	Short Term	8.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit^	Short Term	5.00	ACUITE A4+ (Reaffirmed)
07-Mar-18	Cash Credit**	Long Term	7.00	ACUITE BB/Stable (Assigned)
	Letter of Credit*	Short Term	10.00	ACUITE A4+ (Assigned)
	Letter of Credit#	Short Term	8.00	ACUITE A4+ (Assigned)
	Bill Discounting	Short Term	1.00	ACUITE A4+ (Assigned)
	Letter of Credit^	Short Term	5.00	ACUITE A4+ (Assigned)
	Cash credit***	Long Term	10.00	ACUITE BB/Stable (Assigned)

* includes sublimit of ODBD of Rs. 7.00 crore, Goods in transit of Rs. 3.00 crore and advance remittance for purchase of material and trust release of goods of Rs. 1.00 crore.

** includes sublimit of Foreign Letter of credit of Rs. 7.00 crore and Buyers credit of Rs. 7.00 crore.

*** includes sublimit of LOU of Rs. 5.00 crore and Bank guarantee of Rs. 0.50 crore.

includes sublimit of buyer's credit of Rs. 8.00 crore.

^ includes sublimit of forex forward limit of Rs. 3.00 crore.

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit*	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB Downgraded; Issuer not co-operating*
Cash Credit**	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB Downgraded; Issuer not co-operating*
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Issuer not co-operating*
Letter of Credit***	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ Issuer not co-operating*
Letter of Credit#	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A4+ Issuer not co-operating*
Letter of Credit^	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ Issuer not co-operating*

* includes sublimit of ODBD of Rs. 7.00 crore, Goods in transit of Rs. 3.00 crore and advance remittance for purchase of material and trust release of goods of Rs. 1.00 crore.

** includes sublimit of Foreign Letter of credit of Rs. 7.00 crore and Buyers credit of Rs. 7.00 crore.

*** includes sublimit of LOU of Rs. 5.00 crore and Bank guarantee of Rs. 0.50 crore.

includes sublimit of buyer's credit of Rs. 8.00 crore.

^ includes sublimit of forex forward limit of Rs. 3.00 crore.

*The issuer did not co-operate; based on best available information

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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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