

Press Release

Vardhman Sales Agency

July 01, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	19.88	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	34.88	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating of '**ACUITE BB**' (read as ACUITE double B) to '**ACUITE BB-**' (read as ACUITE double B minus) and reaffirmed short term rating of '**ACUITE A4+**' (read as ACUITE A Four plus) on the Rs.34.88 Cr. bank facilities of Vardhman Sales Agency (VSA). This rating is now an indicative rating and is based on best available information. Rating has been downgraded on account of information risk.

About the Company

VSA is a Delhi based partnership firm set up in 1988 by Ms Rachna Jain. The firm is engaged in trading of various ferrous and non-ferrous metals such as aluminium, zinc, brass and copper scrap. In addition to this, the firm has also initiated trading of e-waste during mid FY20. The e-waste is imported from foreign countries and are sold to domestic companies which is engaged in recycling of e-waste. The firm is involved in B2B trading and caters to customers usually involved in steel and aluminium manufacturing and e-waste management.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statement from the rated entity. However, the issuer / borrower failed to submit such information before 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 rating 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 attempts.

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entitle: <https://www.acuite.in/view-rating-criteria-61.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Sep 2021	Letter of Credit	Short Term	13.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	2.88	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BB Stable (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Reaffirmed)
24 Jul 2020	Letter of Credit	Short Term	10.00	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	1.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	5.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	5.00	ACUITE A4+ (Reaffirmed)

17 May 2019	Cash Credit	Long Term	7.00	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Bills Discounting	Short Term	1.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Letter of Credit	Short Term	10.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Reaffirmed)
07 Mar 2018	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)
	Bills 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)

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	Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB- Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB- Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	01-09-2020	8.90	31-08-2026	2.88	ACUITE BB- Downgraded 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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