

Press Release

Victory Spinning Mills Private Limited

January 10, 2020

Rating Update



Total Bank Facilities Rated#	Rs. 80.00 Cr.
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.80.00 crore bank facilities of VICTORY SPINNING MILLS PRIVATE LIMITED. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Victory Spinning Mills Limited (VSML) was incorporated as a private limited company in 2003. The company was started by Mr.R.Thangavelu, his son Mr.T.Balachandhar and also by Mr.P.S. Sundaram. Located in the Erode district of Tamilnadu, VSML's spinning units currently have a combined installed capacity of 57792 spindles manufacturing synthetic yarn of counts Ne 8s Viscose White, Ne 16s Viscose White, Ne 20s Viscose White, Ne 24s Viscose White, Ne 30s Viscose White, Ne 40s Viscose White. The company mainly caters to the domestic market.

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 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.

Applicable Criteria

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

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)

None

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
31-Oct-18	Cash Credit	Long Term	36.00	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	13.42	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	0.49	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	3.01	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	0.85	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	18.66	ACUITE BBB-/ Stable (Assigned)
	Proposed	Long Term	4.34	ACUITE BBB-/ Stable (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	2.23	ACUITE A3 (Assigned)

Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	36.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	13.42	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.49	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.01	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.85	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	18.66	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	4.34	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.23	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in</p> <p>Naveen Papisetty Analyst - Rating Operations Tel: 040-40042327 naveen.papisetty@acuite.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-49294022 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*erstwhile SMERA Ratings 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.