

Press Release

Victory Spinning Mills Private Limited

July 07, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.23	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	76.77	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	80.00	-	-
Total Withdrawn Quantum (Rs.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 of '**ACUITE A4+**' (read as **ACUITE A four plus**) 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.

About the Company

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 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 continues to be 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 endeavored 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.

Rating Sensitivity

"No information provided by the issuer / available for Acuite 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

Acuite 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
08 Apr 2021	Term Loan	Long Term	3.01	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	36.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	4.34	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.85	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	2.23	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	18.66	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	0.49	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	13.42	ACUITE BB (Downgraded and Issuer not co-operating*)

10 Jan 2020	Term Loan	Long Term	0.85	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	3.01	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	18.66	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	4.34	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.49	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	13.42	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	36.00	ACUITE BB+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	2.23	ACUITE A4+ (Issuer not co-operating*)
31 Oct 2018	Term Loan	Long Term	0.85	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	3.01	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	18.66	ACUITE BBB- Stable (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A3 (Assigned)
	Proposed Bank Facility	Long Term	4.34	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.49	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	13.42	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	36.00	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	2.23	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/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	2.23	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	36.00	ACUITE BB- Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	4.34	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	13.42	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.49	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	3.01	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.85	ACUITE BB- Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	18.66	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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