

RATING RATIONALE

24 Apr 2020

Vimala Paper Company Private Limited

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹12.50 Crores of Vimala Paper Company Private Limited based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Jan 2018)	Present
Fund Based	12.50	12.50	Long Term	BWR B+/Stable	BWR C+ (Downgraded) Issuer Not Cooperating*
Total	12.50	12.50	INR Twelve Crores and Fifty Lakhs Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

In view of the non-availability of the information, non-submission of monthly statement as per regulatory requirements and lack of management cooperation, Brickwork Ratings has downgraded the long term rating from 'BWR B+/Stable' to 'BWR C+ Issuer Not Cooperating' for the bank loan facilities amounting to ₹12.50 Cr of Vimala Paper Company Private Limited.

The lenders may note to exercise due caution while using the above ratings, which mentions "Issuer Not Cooperating" since the ratings lack any projections of a forward looking component as it is arrived based on the best available information on the Company without any management/ banker's interaction.

The rating was due for a review in Jan 2019. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY17
Result Type		Audited
Total Operating Income	₹ Cr	83.86
Operating Profit	₹ Cr	0.99
Net Profit	₹ Cr	0.22
Tangible Networkth	₹ Cr	5.31
Total Debt: Tangible Networkth	Times	1.99
Current Ratio	Times	1.22

COMPANY PROFILE

M/s Vimala Paper Company private limited company, established in the year 2010 by Mr. K Alagu at Madurai, Tamilnadu - Engaged in trading of Note book papers, Cards and paper boards for match industries. They also do printing of Text Books for Tamilnadu government apart from supply of note books.

NON-COOPERATION WITH PREVIOUS RATING AGENCY: NA

RATING HISTORY

Facilities	Current Rating (2020)			Rating History		
	Tenure	Amount (₹ Cr)	Rating	2019	05.01.2018	2017
Fund Based	Long Term	12.50	BWR C+ (Downgraded) Issuer Not Cooperating	Not Rated	BWR B+/Stable	Not Rated
Total		12.50	INR Twelve Crores and Fifty Lakhs Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

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Vimala Paper Company Private Limited ANNEXURE I

Details of Bank Facilities rated by BWR

Name of the Bank	Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
State Bank of India	Cash Credit	12.50	-	12.50
Total				12.50

**For print and digital media**

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DISCLAIMER

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