

April 26, 2023

## Varalakshmi Starch Industries Private Limited: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Unallocated	9.43	9.43	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non-Fund Based-Others	2.00	2.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Cash Credit	20.70	20.70	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Fund Based-Cash Credit	2.00	2.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>34.13</b>	<b>34.13</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has retained the Long-Term ratings and Short-Term ratings of Varalakshmi Starch Industries Private Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+(Stable)/[ICRA]A4 ISSUER NOT COOPERATING"

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at [www.icra.in](http://www.icra.in).

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

## About the company

Varalakshmi Starch Industries Private Limited (VSIPL), established by Mr. V Anbalagan in 1995, is a starch manufacturer based out of Salem in Tamil Nadu. VSIPL manufactures starch from tapioca and maize. The company's factory is located at Dharmapuri and has a production capacity of 250 tonnes per day (TPD) of tapioca starch (native and modified starch), 230 TPD of maize starch and 50 TPD of sago. The promoter has extensive experience for more than three decades in the 2 starch industry. The promoter also has a business interest in a partnership firm "S.V.S Classic Foods", a tapioca based sago and starch trading firm.

### Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL	CRISIL B+ stable/A4; ISSUER NOT COOPERATING	Jan 18, 2021
CARE	CARE BB; Stable/A4+; ISSUER NOT COOPERATING	May 20, 2021

Any other information: None

### Rating history for past three years

	Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the past 3 years			
			Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in
					Apr-26-2023	Feb-25-2022	Nov-20-2020	Aug-27-2019
1	Unallocated	Long Term	9.43	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB- (Stable) ISSUER NOT COOPERATING
2	Non-Fund Based-Others	Short Term	2.00	-	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4 ISSUER NOT COOPERATING
3	Fund Based-Cash Credit	Long Term	20.70	-	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]BB- (Stable) ISSUER NOT COOPERATING
4	Fund Based-Cash Credit	Short Term	2.00	-	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4 ISSUER NOT COOPERATING

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Fund Based Cash Credit	Simple
Short Term – Fund Based Cash Credit	Simple
Short Term – Non-Fund Based	Very Simple
Long Term- Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**Annexure-1: Instrument details**

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Unallocated	-	-	-	9.43	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Non-Fund Based-Others	-	-	-	2.00	[ICRA]A4 ISSUER NOT COOPERATING
NA	Fund Based-Cash Credit	-	-	-	20.70	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Fund Based-Cash Credit	-	-	-	2.00	[ICRA]A4 ISSUER NOT COOPERATING

Source: Varalakshmi Starch Industries Private Limited

**Annexure-2: List of entities considered for consolidated analysis: Not Applicable**

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