

July 15, 2024

## 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 kept 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"

As part of its process and in accordance with its rating agreement with Varalakshmi Starch Industries Private Limited, 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 multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

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><br><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)/CRISIL A4; ISSUER NOT COOPERATING | May 26, 2023    |
| CARE   | CARE BB- (Stable)/CARE A4; ISSUER NOT COOPERATING    | Jul 28, 2022    |

Any other information: None

## Rating history for past three years

|   | Instrument             | Current Rating (FY2025) |                          |   | Chronology of Rating History for the past 3 years |   |   |
|---|------------------------|-------------------------|--------------------------|---|---|---|---|
|   |                        | Type                    | Amount Rated (Rs. Crore) | Date & Rating in                            | Date & Rating in FY2024                           | Date & Rating in FY2022                     | Date & Rating in FY2021                     |
|   |                        |                         |                          | Jul-15-2024                                 | Apr-26-2023                                       | Feb-25-2022                                 | Nov-20-2020                                 |
| 1 | Unallocated            | Long Term               | 9.43                     | [ICRA]B+ (Stable)<br>ISSUER NOT COOPERATING | [ICRA]B+ (Stable)<br>ISSUER NOT COOPERATING       | [ICRA]B+ (Stable)<br>ISSUER NOT COOPERATING | [ICRA]B+ (Stable)<br>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)<br>ISSUER NOT COOPERATING  | [ICRA]B+(Stable)<br>ISSUER NOT COOPERATING        | [ICRA]B+(Stable)<br>ISSUER NOT COOPERATING  | [ICRA]B+(Stable)<br>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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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

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### Branches



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