

Rating Rationale

September 30, 2021 | Mumbai

Vindhya Telelinks Limited

Rating Withdrawn

Rating Action

Rs.200 Crore Commercial Paper	CRISIL A1+ (Withdrawn)
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1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has **withdrawn** its 'CRISIL A1+' rating on the Commercial Paper program of Vindhya Telelinks Limited (VTL; a part of the VTL group) on receipt of no-dues certificate from its IPA (Issuing and Paying Agent) and statutory auditors. The withdrawal is in-line with CRISIL Ratings' policy on withdrawal.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of VTL and its wholly owned subsidiaries: August Agents Ltd (AAL), Insilco Agents Ltd (IAL), and Laneseda Agents Ltd (LAL). The companies, collectively referred to as the VTL group, have significant financial linkages and are wholly owned subsidiaries of VTL.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

About the Company

VTL, incorporated in 1983, is the flagship company of the cables business of the MP Birla group. It manufactures OFC at its plant in Rewa (Madhya Pradesh) and undertakes EPC projects in the power and telecom sectors. It is listed on the Bombay Stock Exchange and National Stock Exchange.

The MP Birla group has presence in diverse businesses (such as cement manufacturing, guar gum, and cables and wires) and also operates educational and medical trusts and institutes.

August Agents Ltd (AAL), Insilco Agents Ltd (IAL), and Laneseda Agents Ltd (LAL) are non-operational and act as holding companies for VTL's investments.

Key Financial Indicators (Consolidated; CRISIL adjusted)

Particulars	Units	2021	2020
Revenue	Rs. crore	1502	1883
Profit after Tax (PAT)	Rs. crore	270.08	237.40
PAT Margins	%	18.0	12.6
Adjusted debt/adjusted network	Rs. crore	2.68	2.07
Interest coverage	Rs. crore	0.27	0.78

Any other information: Not applicable

Note on complexity levels of the rated instrument:

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Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate	Maturity date	Issue size (Rs. Crore)	Complexity level	Rating assigned with outlook
NA	Commercial paper	NA	NA	NA	200	Simple	Reaffirmed and withdrawn

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
VTL	100% consolidation	The companies, collectively referred to as the VTL group, have significant financial linkages and are wholly owned subsidiaries of VTL.
AAL	100% consolidation	The companies, collectively referred to as the VTL group, have significant financial linkages and are wholly owned subsidiaries of VTL.
IAL	100% consolidation	The companies, collectively referred to as the VTL group, have significant financial linkages and are wholly owned subsidiaries of VTL.
LAL	100% consolidation	The companies, collectively referred to as the VTL group, have significant financial linkages and are wholly owned subsidiaries of VTL.

Annexure - Rating History for last 3 Years

Instrument	Current			2021 (History)		2020		2019		2018		Start of 2018
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	200.0	Withdrawn		--	25-09-20	CRISIL A1+	30-09-19	CRISIL A1+	29-09-18	CRISIL A1+	CRISIL A1+

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
Rating criteria for manufacturing and service sector companies
CRISILs Bank Loan Ratings - process, scale and default recognition
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation
Understanding CRISILs Ratings and Rating Scales

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