

Vardhman Spinners

October 20, 2021

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	11.87	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Total Facilities	11.87 (Rs. Eleven Crore and Eighty-Seven Lakhs Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated September 30, 2020, placed the rating(s) of Vardhman Spinners (VS) under the 'issuer non-cooperating' category as VS had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. VS continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated August 16, 2021, August 26, 2021, September 05, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised on account of non-availability of requisite information

Detailed description of the key rating drivers

Please refer to PR dated [September 30, 2020](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Firm

Vardhman Spinners (VSP), based in Panipat, Haryana was established in May 2009 as a partnership firm. The firm is currently being managed by Mr. Ajay Kumar Jain, Mr. Hemant Kumar Jain, Ms. Shashi Jain and Ms. Dipty Jain as its partners. The firm is currently engaged in manufacturing of mink blankets and Upper shoe material at its manufacturing facility located in Panipat with an installed capacity of producing 54 lakh kg per annum of mink blankets as on June 30, 2019. The firm undertakes in-house dyeing and stitching of these blankets. The firm is also into trading of grey fabric with local procurement and sale of the same. Besides VSP, the partners are also associated with group concerns - MDJ Texco Fab Private Limited (MDJ) which is engaged in manufacturing of shoddy wool yarn, acrylic yarn, polar fleece blanket, polar fleece rolls, etc. and MJ Home Furnishing which is engaged in manufacturing of fabric.

Brief Financials (Rs. crore)	FY18(A)	FY19(Prov.)
Total operating income	40.82	64.81
PBILDT	3.19	4.89
PAT	0.06	0.89
Overall gearing (times)	9.85	6.33
Interest coverage (times)	1.80	2.59

A: Audited; Prov.: Provisional

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: CRISIL Ratings has conducted the review and has classified Vardhman Spinners as “Not Cooperating” vide its press release dated March 15, 2021

Acuite (SMERA) Ratings has conducted the review and has classified Vardhman Spinners as “Not Cooperating” vide its press release dated November 06, 2020

Any other information: Not Applicable

Disclosure of Interest of Independent/Non-Executive Directors/ Managing Director & CEO: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure 3

Complexity level of various instruments rated for this Firm: Annexure 4

Annexure-1: Details of Instruments/ Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	December, 2023	4.87	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE B; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	4.87	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (30-Sep-20)	1)CARE BB-; Stable (22-Jul-19)	1)CARE BB-; Stable (22-May-18)
2	Fund-based - LT-Cash Credit	LT	7.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (30-Sep-20)	1)CARE BB-; Stable (22-Jul-19)	1)CARE BB-; Stable (22-May-18)

*Issuer did not cooperate; based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities - Not Applicable

Annexure 4: Complexity level of various instruments rated for this Firm

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mr. Mradul Mishra
Contact No.: +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact

Ms. Shachee Vyas
Contact No.: +91-79-4026 5665
Email ID – shachee.tripathi@careratings.com

Relationship Contact

Ms. Swati Agrawal
Contact No.: +91-11-45333237
Email ID – swati.agrawal@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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