

Vardhman Spinners

December 21, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	11.87	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information

Rationale and Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated November 22, 2022, 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 October 08, 2023, October 28, 2023, December 14, 2023.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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).

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

Please refer to PR dated [November 22, 2022](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Rating 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. 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.

Brief Financials (Rs. crore)	March 31, 2018 (A)	March 31, 2019 (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, Note: The above results are latest financial results available

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications.

Status of non-cooperation with previous CRA: Acuite (SMERA) has continued the rating assigned to the bank facilities of VSP into Issuer Not Cooperating category vide press release dated May 03, 2023 on account of its inability to carry out a review in the absence of requisite information.

CRISIL has continued the rating assigned to the bank facilities of VSP into Issuer Not Cooperating category vide press release dated July 27, 2023 on account of its inability to carry out a review in the absence of requisite information.

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

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

Lender details: Annexure 5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December, 2023	4.87	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 (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term Loan	LT	4.87	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (22-Nov-22)	1)CARE B; Stable; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (30-Sep-20)
2	Fund-based - LT-Cash Credit	LT	7.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (22-Nov-22)	1)CARE B; Stable; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (30-Sep-20)

*Issuer did not cooperate; Based on best available information

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages our domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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