

Garg Spinning Mills

May 30, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	14.09	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information

Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated April 11, 2023, placed the rating(s) of Garg Spinning Mills (GSM) under the 'issuer non-cooperating' category as GSM 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. GSM continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated February 25, 2024, March 06, 2024, March 16, 2024.

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).

The ratings assigned to the bank facilities of GSM have been revised on account of non-availability of requisite information.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [April 11, 2023](#)

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

About the company

Garg Spinning Mills (GSM) belongs to the Rajiv group of Panipat, Haryana, founded in 1993. GSM was established as a partnership firm in September 2015 by Mr. Rajiv Garg and Mr. Chirag Garg as its partners, sharing profits and losses equally. GSM is engaged in the manufacturing of cotton yarn (in counts of 4-10s) at its manufacturing facility located at Panipat, Haryana having a total installed capacity of manufacturing 112 lakh kg of cotton yarn per annum as on November 30, 2019. The yarn manufactured by the firm is of coarser counts and is primarily used in the manufacturing of bath mat, home furnishings, etc. The other group concerns are Akash Home Furnishings Private Limited, engaged in the manufacturing of 3d bed sheets (established in 2009) and Shiv Trading Company, engaged in the trading of cotton waste and cotton yarn (established in 2012).

Brief Financials (Rs. crore)	March 31, 2018 (A)	March 31, 2019 (A)
Total operating income	23.92	30.29
PBILDT	2.20	2.40
PAT	0.15	0.16
Overall gearing (times)	2.94	1.66
Interest coverage (times)	2.18	2.08

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Acuite has continued the rating assigned to the bank facilities of GSM into Issuer Not Cooperating category vide press release dated August 29, 2023 on account of its inability to carry out a review in the absence of requisite information.

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

Any other information: Not Applicable

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

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

Complexity level of various instruments rated: 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		-	-	-	9.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2027	5.09	CARE B-; Stable; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for the 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 2024-2025	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
1	Fund-based - LT-Term Loan	LT	5.09	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (11-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (09-Feb-22)
2	Fund-based - LT-Cash Credit	LT	9.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (11-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (09-Feb-22)

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

LT: Long term

Annexure-3: Detailed explanation of 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.

Contact us

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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.

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