

Press Release

Vicky Spinning Mills

24 April, 2018

Rating Update



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| Total Bank Facilities Rated | Rs. 6.00 Cr # |
| Long Term Rating (Indicative) | SMERA BBB- Issuer not co-operating* |

Refer Annexure for details of instrument.

*The issuer did not co-operate; Based on best available information.

SMERA has reviewed the long term rating of '**SMERA BBB-**' (read as **SMERA triple B minus**) on the Rs.6.00 crore bank facilities of Vicky Spinning Mills. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition: <https://www.smera.in/criteria-default.htm>
- manufacturing Entities: <https://www.smera.in/criteria-manufacturing.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). SMERA endeavored to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Approach: While assigning the rating, SMERA has taken into account the consolidated operational and financial performance of eight entities of the GSM Group, namely, Garg Spinning Mills, Shiv Cotex India Private Limited (SCIPL), Gupta Spinning Mills, Gupta Spinning and Weaving Mills (GSWM), Gupta Spuntex (GS), Vicky Spinning Mills (VSM), RD Spinning Mills (RDSM), and Shiv Trading Co (STC), as the group entities have common management, share common manufacturing facilities as well as have other significant operational and financial linkages.

About the Rated Entity: Vicky Spinning Mills (VSM) was established in 1995 as a proprietorship concern and is engaged in manufacturing of cotton yarn. However, on 1st April 2014, the constitution was changed into Partnership concern. The firm is promoted by Mr. Rajiv Garg and Mrs. Reena Garg.

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For FY2016, the company reported profit after tax (PAT) of Rs.0.93 crore on operating income of Rs.133.09 crore, as compared with PAT of Rs.1.56 crore on operating income of Rs.184.20 crore in FY2015. The net worth stood at Rs.42.41 crore as on March 31, 2016 against Rs.39.60 crore a year earlier.

Rating History for the last three years:

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|--------------|---------------------------------|-----------|------------------|-------------------------------|
| 25 Feb, 2017 | Cash Credit | Long Term | 4.00 | SMERA BBB- /Stable (Assigned) |
| | Term Loan | Long Term | 0.76 | SMERA BBB- /Stable (Assigned) |
| | Proposed bank facility | Long Term | 1.24 | SMERA BBB- /Stable (Assigned) |

Annexure – Details of instruments rated:

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings |
|------------------------|------------------|-------------|---------------|-------------------------------|-------------------------------------|
| Cash Credit | NA | NA | NA | 4.00 | SMERA BBB- Issuer not co-operating* |
| Term Loan | NA | NA | NA | 0.76 | SMERA BBB- Issuer not co-operating* |
| Proposed Bank facility | NA | NA | NA | 1.24 | SMERA BBB- Issuer not co-operating* |

*The issuer did not co-operate; Based on best available information.

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smera.in.

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