

Press Release

Garg Spinning Mills

June 10, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.27	ACUITE BB- Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	8.27	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB-**' (read as **ACUITE double B Minus**) on the Rs. 8.27 crore bank facilities of Garg Spinning Mills. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Garg Spinning Mills (GSM) was established in 1994 as a proprietorship concern at Haryana. However, on 1st October 2015, the constitution was changed into Partnership concern. The firm is promoted by Mr. Rajiv Garg and Mr. Chirag. The firm is engaged in the manufacturing of cotton yarn.

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Mar 2021	Term Loan	Long Term	4.27	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
24 Dec 2019	Term Loan	Long Term	4.27	ACUITE BB (Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE BB (Issuer not co-operating*)
23 Jul 2019	Term Loan	Long Term	4.27	ACUITE BBB- (Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE BBB- (Issuer not co-operating*)
24 Apr 2018	Cash Credit	Long Term	4.00	ACUITE BBB- (Issuer not co-operating*)
	Term Loan	Long Term	4.27	ACUITE BBB- (Issuer not co-operating*)
25 Feb 2017	Cash Credit	Long Term	4.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	4.27	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB- Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	4.27	ACUITE BB- Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Abhishek Singh Junior Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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