

Press Release

Vardhman Spinners (VS)

May 28, 2018

Rating Update



| | |
|------------------------------------|---------------------------------------|
| Total Bank Facilities Rated | Rs. 10.76 Cr. # |
| Long Term Rating | SMERA BB- Issuer not co-operating* |

Refer Annexure for details

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

SMERA has reviewed the long term rating of '**SMERA BB-**' (read as **SMERA Double B minus**) on the Rs. 10.76 crore bank facilities of Vardhman Spinners (VS). 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 required documents 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 endeavoured 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.

About the rated entity

Vardhman Spinners (VS), established in 2008 is a Panipat-based partnership firm promoted by Partners, Mr. Ajay Kumar Jain, Mr. Hemant Jain, Ms. Dipti Jain, and Ms. Shashi Jain. The firm is engaged in the manufacturing of blankets and has an installed capacity of 1.10 lakh blankets per month. The firm procures raw material i.e. cotton yarn from Haryana, Punjab, Uttar Pradesh and Delhi and sells blankets across India under the 'Vardhman' name.

For FY2016, VS reported PAT of Rs.0.10 cr on operating income of Rs.39.74 cr as compared to Rs.0.03 cr on operating income of Rs.4.57 cr in FY2015. The net worth stood at Rs.6.63 cr in FY2016 as against Rs.3.32 cr last year. The net worth of Rs.6.63 cr in FY2016 includes quasi equity of Rs.4.39 cr.

Rating history (last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|------------|---------------------------------|-----------|------------------|------------------------------|
| 8th Apr 17 | Cash Credit | Long Term | 6.00 | SMERA BB-/ Stable (Assigned) |
| | Term Loan | Long Term | 4.76 | SMERA BB-/ Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|-----------------------------------|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 6.00 | SMERA BB-Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 4.76 | SMERA BB-Issuer not co-operating* |

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

Contacts

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|---|---|
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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits, etc. For more details, please visit www.smera.in.

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