

Press Release

Vardhman Spinners

February 03, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.76	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	10.76	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE B+**' (**read as ACUITE B Plus**) on the Rs. 10.76 crore-bank facilities of Vardhman Spinners. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

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.

Non-cooperation by the issuer/borrower:

Acuité 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.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité 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

None.

Any other information

Acuité 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
06 Nov 2020	Term Loan	Long Term	4.76	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
19 Aug 2019	Cash Credit	Long Term	6.00	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	4.76	ACUITE BB- (Issuer not co-operating*)
28 May 2018	Cash Credit	Long Term	6.00	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	4.76	ACUITE BB- (Issuer not co-operating*)
08 Apr 2017	Cash Credit	Long Term	6.00	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	4.76	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE B+ Reaffirmed Issuer not co-operating*
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	4.76	ACUITE B+ Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Pooja Ghosh Head-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Sonal Modi Analyst-Rating Operations Tel: 022-49294065 sonal.modi@acuite.in	

About Acuité Ratings & Research

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,850 credit 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.