

March 25, 2020

## Vikas Spool Private Limited: Moved to Non Cooperating category; Ratings downgraded based on best available information

### Summary of Rated Instrument:

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Cash Credit	8.00	8.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and moved to 'Issuer Not Cooperating' category
Fund-based Term Loan	19.16	19.16	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and moved to 'Issuer Not Cooperating' category
Non-Fund Based	2.84	2.84	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and moved to 'Issuer Not Cooperating' category
<b>Total</b>	<b>30.00</b>	<b>30.00</b>	

\*Issuer did not co-operate; based on best available information.

<sup>^</sup> Instrument details are provided in Annexure 1

### Rationale

The ratings downgrade is because of lack of adequate information regarding Vikas Spool Private Limited's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Vikas Spool Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	Not applicable
Consolidation / Standalone	Standalone

## About the company:

VSPL was initially established in the year 1985 as a proprietorship firm for trading in spools. The firm began commercial manufacturing of spools in the year 1992. It converted into a private limited company in March 2005. The company is engaged into manufacturing of plastic spools of different and varied quality which find usage majorly in wire industry covering copper wire and strips, stainless steel wire, aluminium wire & strips, welding wire, special purpose wires and cables and yarn industry. The manufacturing facility of the company is located at Bahadurgarh, Haryana in 10000 sq m area with around 30 injection moulding machines and 5 extruder machines having an annual installed capacity of 60 lakh kg per annum.

## Key financial indicators: Not Applicable

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: Not Applicable

## Rating history for past three years

	Instrument	Current Rating (FY2020)			Rating History for the Past 3 Years				
		Type	Amount Rated (Rs crore)	Amount Outstanding (as on 31st march 2018)	Rating	FY2019		FY2018	FY2017
					25-Mar-20	27-Sep-18	12-Sep-18	23-Oct-17	24-Jun-16
1	Cash Credit	Long Term	8.00	NA	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB (Stable)
2	Term Loan	Long Term	19.16	4.54	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB (Stable)
3	Non-fund based limits	Short Term	2.84	NA	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
4	Unallocated	Long Term	-	NA	-	-	[ICRA]BB+ (Stable)/ [ICRA]A4+	[ICRA]BB+ (Stable)/ [ICRA]A4+	[ICRA]BB (Stable)/ [ICRA]A4+

**All figures in Rs. Crore**

INC: Issuer not cooperating; All figures in Rs. Crore

## Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	8.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Term Loan 1	June 2015	NA	FY2020	0.50	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Term Loan 2	October 2017	NA	FY2022	3.66	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Proposed Term Loan	NA	NA	NA	15.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Non-fund Based	NA	NA	NA	2.84	[ICRA]A4 ISSUER NOT COOPERATING

Source: VSPL; INC: ISSUER NOT COOPERATING

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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For more information, visit [www.icra.in](http://www.icra.in)

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