

## Press Release

### Vallabh Textiles Company Limited

July 04, 2019

### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs.200.00 Cr
<b>Long Term Rating</b>	ACUITE BB- Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details

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

Acuité has reviewed the long term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 200.00 crore bank facilities of Vallabh Textile Company Limited (VTCL). This rating is now an indicative rating and is based on best available information.

The Punjab-based VTCL, incorporated in June 2002, is part of the Vallabh group. Founded by Mr. Kapil Jain in 1981, the company is engaged in the manufacture of terry towels and bath robes. About 100% of the production of terry towel is exported to Australia, USA, Europe, Japan and others; while yarn is sold in India through wholesalers. The raw material is purchased from suppliers in Punjab, Haryana and Rajasthan.

#### 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 due date.

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

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.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). 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.

#### Status of non-cooperation with previous CRA (if applicable)

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.

#### Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
19 April, 2018	Cash Credit	Long Term	93.00#	ACUITE BB- (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
	Term loans	Long Term	100.34	ACUITE BB- (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
	Letter of credit	Short Term	6.00^	ACUITE A4 (Downgraded from SMERA A3) Issuer not co-operating*
	Proposed Facilities	Long Term	0.66	ACUITE BB- (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
30 January, 2017	Cash Credit	Long Term	93.00#	ACUITE BBB-/Stable (Reaffirmed)
	Term Loans	Long Term	100.34 (reduced from Rs. 104.56 crore)	ACUITE BBB-/Stable (Reaffirmed)
	Letter of Credit	Short Term	6.00^ (enhanced from Rs. 5.00 crore)	ACUITE A3 (Reaffirmed)
	Proposed Facilities	Long Term	0.66	ACUITE BBB-/Stable (Reaffirmed)
19 October, 2015	Cash Credit	Long Term	90.00#	ACUITE BBB-/Stable (Assigned)
	Term loans	Long Term	104.56	ACUITE BBB-/Stable (Assigned)
	Letter of credit	Short Term	5.00	ACUITE A3 (Assigned)
	Letter of Guarantee	Short Term	0.25	ACUITE A3 (Assigned)
	Proposed Facilities	Long Term	0.19	ACUITE BBB-/Stable (Assigned)

#Includes sublimit of packing credit and FOBP/FOUBP to the extent of Rs. 20.00 crore.

^Includes sublimit of bank guarantee of Rs. 0.25 crore

#### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	93.00#	ACUITE BB- Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	100.34	ACUITE BB- Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	6.00^	ACUITE A4 Issuer not co-operating*
Proposed Facilities	Not Applicable	Not Applicable	Not Applicable	0.66	ACUITE BB- Issuer not co-operating*

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

#Includes sublimit of packing credit and FOBP/FOUBP to the extent of Rs. 20.00 crore.

^Includes sublimit of bank guarantee of Rs. 0.25 crore

## Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a></p> <p>Deepesh Pamnani Analyst - Rating Operations Tel: 011-49731313 <a href="mailto:deepesh.pamnani@acuiterratings.in">deepesh.pamnani@acuiterratings.in</a></p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a></p>

### About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings 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 6,000 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 Mumbai.

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