

Press Release

Vallabh Textiles Company Limited

February 10, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	194.00	ACUITE D Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	6.00	-	ACUITE D Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE D** (read as ACUITE D) and the short term rating of '**ACUITE D (read as ACUITE D)** on the Rs. 200.00 crore bank facilities of Vallabh Textile Company Limited (VTCL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

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 bathrobes. About 100 per cent of the production of terry towel is exported to Australia, USA, Europe, Japan and others, while the 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.

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 endeavoured 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 attempts.

Rating Sensitivity

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

Material Covenants

None.

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
13 Nov 2020	Proposed Bank Facility	Long Term	0.66	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	93.00	ACUITE D (Issuer not co-operating*)
	Letter of Credit	Short Term	6.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	100.34	ACUITE D (Issuer not co-operating*)
21 Aug 2019	Cash Credit	Long Term	93.00	ACUITE D (Downgraded from ACUITE BB-)
	Proposed Bank Facility	Long Term	0.66	ACUITE D (Downgraded from ACUITE BB-)
	Letter of Credit	Short Term	6.00	ACUITE D (Downgraded from ACUITE A4)
	Term Loan	Long Term	100.34	ACUITE D (Downgraded from ACUITE BB-)

04 Jul 2019	Proposed Bank Facility	Long Term	0.66	ACUITE BB- (Issuer not co-operating*)
	Letter of Credit	Short Term	6.00	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	93.00	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	100.34	ACUITE BB- (Issuer not co-operating*)
19 Apr 2018	Cash Credit	Long Term	93.00	ACUITE BB- (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	100.34	ACUITE BB- (Downgraded from ACUITE BBB- Stable)
	Letter of Credit	Short Term	6.00	ACUITE A4 (Downgraded from ACUITE A3)
	Proposed Working Capital Demand Loan	Long Term	0.66	ACUITE BB- (Downgraded from ACUITE BBB- Stable)
30 Jan 2017	Cash Credit	Long Term	93.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	100.34	ACUITE BBB- Stable (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A3 (Reaffirmed)
	Proposed Working Capital Demand Loan	Long Term	0.66	ACUITE BBB- Stable (Reaffirmed)
19 Oct 2015	Cash Credit	Long Term	90.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	104.56	ACUITE BBB- Stable (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	0.25	ACUITE A3 (Assigned)
	Proposed Working Capital Demand Loan	Long Term	0.19	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
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	93.00	ACUITE D Reaffirmed Issuer not co-operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE D Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.66	ACUITE D Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.67	ACUITE D Reaffirmed Issuer not co-operating*
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	58.33	ACUITE D Reaffirmed Issuer not co-operating*
Punjab and Sind Bank	Not Applicable	Term Loan	Not available	Not available	Not available	12.90	ACUITE D Reaffirmed Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Term Loan	Not available	Not available	Not available	16.12	ACUITE D Reaffirmed Issuer not co-operating*
Indian Overseas Bank	Not Applicable	Term Loan	Not available	Not available	Not available	11.32	ACUITE D Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

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