

## Rating Rationale

2 Aug 2022

### Vishal Fabrics Limited

**Brickwork Ratings places the rating of the Bank Loan Facilities aggregating Rs. 371.81 Crores (INR Three Hundred Seventy One Crore and Eighty One Lakhs) of Vishal Fabrics Limited (VFL) or ‘the Company’ on Credit Watch with Developing Implications, based on a Material Event**

#### Particulars

Facility	Amt Rated (Rs. Crs)		Tenure	Previous Rating (August 2021)	Present Rating
	Previous	Present			
Fund Based – TL	185.81	<b>185.81</b>	Long Term	BWR A- (Stable)	<b>BWR A- (Credit Watch with Developing Implications)</b>
Fund Based – CC	160.00	<b>160.00</b>			
Non Fund Based	26.00	<b>26.00</b>	Short Term	BWR A2+	<b>BWR A2+ (Credit Watch with Developing Implications)</b>
<b>Total</b>	371.81	<b>371.81</b>	<b>(Three Hundred Seventy One Crore and Eighty One Lakhs Only)</b>		

^ Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

#### Rating Action:

Brickwork Ratings places the rating of the Bank Loan Facilities aggregating Rs. 371.81 Crores (INR Three Hundred Seventy One Crore and Eighty One Lakhs) of Vishal Fabrics Limited (VFL) or ‘the Company’ on Credit Watch with Developing Implications based on a Material Event.

#### Material Event:

The Income Tax Department conducted searches at the premises of Chiripal Group of Companies which includes registered offices, Corporates offices along with the residences of Company officials from 20<sup>th</sup> July 2022 to 25<sup>th</sup> July 2022.

#### Impact of the Event:

BWR has sought clarifications from the company regarding the finding of the Income Tax Department during the search, which is yet to be received. Once clarification is received from the Company, BWR will analyse its impact on the operations of the group and will take suitable rating actions. The company has disclosed the material event to the Bombay Stock Exchange.



For further details, please refer to the detailed rating rationale of [Vishal Fabrics Ltd.](#)

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

Any other information: NA

**Rating History for the last three years (Including Withdrawn Suspended Ratings)**

Sn	Instrument/Facility	Current Rating (Year 2022)			Rating History				
		(Rs Crs)	Type	Amt	Ratings	2021	2020		2019
					4-Aug-21	11-Aug-20	28-Mar-20	26-Mar-19	22-Jan-19
1	Fund Based – Term Loan	Long Term	185.81	BWR A- (Credit Watch with Developing Implications)	BWR A- (Stable)	BWR A- (Negative)	BWR A- (Stable)	BWR BBB+ (Stable)	BWR BBB+ (Stable)
2	Fund Based – Cash Credit	Long Term	160	BWR A- (Credit Watch with Developing Implications)	BWR A- (Stable)	BWR A- (Negative)	BWR A- (Stable)	BWR BBB+ (Stable)	BWR BBB+ (Stable)
3	Non Fund Based	Short Term	26	BWR A2+ (Credit Watch with Developing Implications)	BWR A2+	BWR A2+	BWR A2+	BWR A2	BWR A2
			371.81	<b>(Rupees Three Hundred Seventy One Crore and Eighty One Lakhs Only)</b>					

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)
- [Criteria for rating of Manufacturing Companies](#)



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**ANNEXURE I**  
**Details of Bank Facilities rated by BWR**  
*Rs. Crore*

BANK NAME	TERM LOAN	COVID	ECLGS	FUND BASED	NON FUND BASED	TOTAL
	OUTSTANDING – 1-July-2021	OUTSTANDING – 1-July-2021	OUTSTANDING – 1-July-2021	SANCTION	SANCTION	
Bank of Baroda	43.39	2.67	14.76	40	7	107.82
Bank of Maharashtra	29.09	2.67	16.25	40	7	95.01
State Bank of India	26.78	0	6.88	0	0	33.66
Punjab National Bank	11.37	1.1	5.16	14	2	33.63
Lakshmi Vilas Bank	10.78	0	0	0	0	10.78
South Indian Bank	0	1.67	3.76	20	1	26.43
BANDHAN Bank	0	2.08	2.33	25	5	34.41
Union Bank of India	0	1.52	3.55	21	4	30.07
<b>TOTAL</b>	<b>121.41</b>	<b>11.71</b>	<b>52.69</b>	<b>160</b>	<b>26</b>	<b>371.81</b>

**Rupees Three Seventy One Crore and Eighty One Lakhs Only.**



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