

Vardhman Textile Components Limited

January 27, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	11.29	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BB+; Stable

Details of instruments/facilities in Annexure-1

**Issuer did not cooperate; based on best available information*

Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 09, 2024, placed the rating(s) of Vardhman Textile Components Limited (VTCL) under the 'issuer non-cooperating' category as VTCL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. VTCL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated November 24, 2024, December 04, 2024, December 14, 2024 among others.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of VTCL have been revised on account of non-availability of requisite information.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [January 09, 2024](#)

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

About the company

VTCL was initially incorporated as Vardhman Needles Limited in 1981 by Late Mr Ish Jain and Mr Deepak Jain and subsequently renamed Vardhman Textile Components Limited (VTCL) in 1994. The company was engaged in the manufacturing of paper cones used for winding yarn since the commencement of its commercial operations in 1995. In June 2016, however, the company also commenced manufacturing of corrugated boxes. VTCL operates from its single manufacturing facility in Ludhiana (Punjab), at an installed capacity of 15000 metric tonnes per annum for corrugated boxes as on March 31, 2021. The manufacturing of cones was ceased from April-2017. The company is a part of the Ludhiana-based Vardhman group which has a long-standing industry presence of nearly five-and-a-half decades and is one of the leading players in the Indian textile industry. The flagship company of the group, Vardhman Textiles Limited (VTL), has been engaged in the textile business, since 1974.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various instruments rated: Annexure-4

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Lender details: Annexure-5**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	6.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31/07/2029	2.29	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Limits		-	-	-	3.00	CARE BB; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	2.29	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (09-Jan-24)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (22-Nov-22) 2)CARE BBB-; Stable; ISSUER NOT COOPERATING* (26-May-22)	1)CARE BBB+; Stable (22-Feb-22) 2)CARE BBB+; Stable (01-Apr-21)
2	Fund-based - LT-Cash Credit	LT	6.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (09-Jan-24)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (22-Nov-22) 2)CARE BBB-; Stable; ISSUER NOT COOPERATING* (26-May-22)	1)CARE BBB+; Stable (22-Feb-22) 2)CARE BBB+; Stable (01-Apr-21)
3	Fund-based - LT-Working Capital Limits	LT	3.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (09-Jan-24)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (22-Nov-22) 2)CARE BBB-; Stable; ISSUER NOT COOPERATING* (26-May-22)	1)CARE BBB+; Stable (22-Feb-22)

*Issuer did not cooperate; based on best available information.

LT: Long term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Limits	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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