



## Press Release

### Valiant Glass Works Private Limited

July 31, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	42.68 (Enhanced from Rs. 31.46 crore)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Short term Bank Facilities	84.00 (Enhanced from Rs. 77.40 Crore)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating Reaffirmed	Simple
Proposed Long Term Bank Facilities	3.89 (Reduced from Rs. 6.71 crore)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	Rating Reaffirmed	Simple
<b>Total</b>	<b>130.57</b> <b>(Rupees One hundred thirty crore and fifty-seven lakh only)</b>				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

Infomerics Ratings has reaffirmed its ratings assigned to the bank facilities of Valiant Glass Works Private Limited (VGWPL) based on the strength it derives from long standing experience of promoters, improvement in profitability margin albeit decline in operating income in FY25, and improved capital structure. The rating is however constrained on account of working capital intensive nature of business, foreign exchange fluctuation risk, raw material price volatility, and exposure to a highly fragmented and competitive industry.

The 'Stable' outlook is recommended on account of expected steady revenue growth along with EBITDA margins maintained above ~7% on account of increase in proportion of job work revenues of the company.



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### Key Rating Sensitivities:

#### Upward Factors

- Significant and sustained improvement in operating income along with EBIDTA and PAT margin leading to improvement in overall financial risk profile of the company
- Significant improvement in debt protection parameters and liquidity position of the company

#### Downward Factors

- Any decline in operating income and/or profitability leading to deterioration in overall financial risk profile of the company
- Any debt funded capex leading to deterioration in the debt protection parameters and/or the liquidity position of the company

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Experienced promoters with long track record of operations**

Established in 1971, VGWPL operations are managed by Mr. Dilipkumar Pachariwala, Mrs. Neha Pachariwala and Mr. Vishal Pachariwala, who have vast experience in the textile business. The company benefits from longstanding existence of the promoters in the industry. Over the years, the company has established market in domestic as well as internationally.

- **Improvement in profitability margin albeit decline in operating income in FY25**

In FY25 (Prov.), VGWPL reported improved profitability margins despite a ~10% decline in operating income to Rs. 245.31 crore from Rs. 273.31 crore in FY24. EBITDA margin rose to 5.85% (Rs. 14.35 crore) from 2.86% (Rs. 7.84 crore) in FY24, driven by reduced manufacturing and consumables costs on account of increased job work operations. PAT margin also improved to 1.10% (Rs. 2.76 crore) from 0.49% (Rs. 1.38 crore). The ~38% drop in export revenues, due to weak global demand, was partially offset by a ~30% rise



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in job work revenue and ~7% growth in domestic sales, reflecting a strategic shift toward domestic markets.

- **Improved capital structure**

The capital structure of the company has marginally improved marked by its tangible net worth base and moderate leverage ratios. The tangible net worth (TNW) of Rs. 82.38 crore as on March 31, 2025 increased from Rs. 79.45 crore as on March 31, 2024 as a result of accretion in profits. The overall gearing ratio improved in FY25 attributable mainly to decrease in total debt, to 1.33x as on March 31, 2025 (1.59x as on March 31, 2024). The total indebtedness of the company marked by TOL/TNW also improved, to 2.09x on March 31, 2025 (2.37x as on March 31, 2024).

### **Key Rating Weaknesses**

- **Working capital intensive nature of operations**

The operations of the company are working capital intensive as reflected in operating cycle of 158 days in FY25 as against 139 days in FY24. The operating cycle has remained elongated on account of stretch in receivables (145 days at end FY25 compared to 133 days at end FY24) due to time lag in realization of export receivables. The inventory days also remain high as the company is required to maintain significant inventory of raw materials and finished goods (96 days and 80 days at end FY25 and FY24 respectively). However, the company has also negotiated for more favourable credit terms with suppliers to manage its working capital cycle resulting in increase in creditor days (83 days at end FY25 compared to 74 days at end FY24).

- **Foreign exchange fluctuation risk and raw material price volatility**

The company derives over 30% of its revenue from exports, exposing it to foreign exchange fluctuation risks. While it does not have any import transactions, it avails export finance facilities such as packing credit and post-shipment finance. To mitigate forex risk, partially hedges its exposure using forward contracts; the unhedged exposure stood at ₹8.76 crore as on March 31, 2025, leaving a portion of earnings vulnerable to exchange rate volatility. Additionally, the company's profitability is also susceptible to volatility in the



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raw material prices. Any sudden and adverse movement in the raw material prices can have an adverse impact on its profitability in the short term as prices normally get adjusted in subsequent contracts.

- **Exposure to a highly fragmented and competitive industry**

VGWPL operates in the dyeing and textile processing segment, which is part of a highly fragmented and intensely competitive industry. The sector is characterized by the presence of organized and unorganized players who further intensify competition, limiting pricing power. Moreover, the industry is cyclical in nature. Prices of raw materials and finished goods are determined by global demand-supply dynamics, making the company susceptible to volatility arising from global economic shifts and competitive pressures, especially from low-cost manufacturing countries.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

**Liquidity – Adequate**

The company's liquidity is adequate, marked by ~81% average utilization of fund-based working capital limits (of Rs. 90.30 crore) for the last 12 months ended March 2025. It expects moderate cushion in cash accrual against its scheduled debt repayment obligation. The current ratio and quick ratio of the company stood at 1.38x and 0.88x respectively as on March 31, 2025(Prov). The gross cash accruals are expected to be in the range of ~Rs.12.00 crore to Rs.17.00 crore annually in FY26-28 period against the annual repayment obligation in the range of ~Rs. 2.00 to 5.00 crore in the same period, which is expected to provide a comfortable cushion to the liquidity of the company.



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### About the Company

VGWPL started its operation in 1971 in Mumbai. The company's line of business involves processing (dyeing and printing) of fabrics and manufacturing of made-ups (including bed sheets, curtains, pillows, and decorative cushions) and linen. The manufacturing facility of VGWPL is about 1.50 lakh meters of fabric per day. The company offers various ranges of cottons, polyester, and blended fabrics. Apart from this, it also utilises various chemicals and processes to give a different feel to the fabric. Apart from domestic sales, VGWPL also exports to markets such as Middle East, Africa and USA.

### **Financials (Standalone):**

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	273.71	245.31
EBITDA	7.84	14.35
PAT	1.38	2.76
Total Debt	126.21	109.63
Tangible Net Worth	79.45	82.38
EBITDA Margin (%)	2.86	5.85
PAT Margin (%)	0.49	1.10
Overall Gearing Ratio (x)	1.59	1.33
Interest Coverage (x)	0.74	1.19

\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** CARE Ratings has continued to classify the ratings of the bank facilities of VGWPL under "ISSUER NOT COOPERATING" category, vide its press release dated November 25, 2024 on account of lack of information.

### **Any other information:**

#### **Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Current Ratings (FY2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in FY2024-25	Date(s) & Rating(s) assigned in T-2	Date(s) & Rating(s) assigned in T-3
					Date (July 31, 2024)	Date (May 31, 2023)	Date (May 31, 2022)
1.	Term loan	Long Term	28.38	IVR BBB- / Stable	IVR BBB- / Stable	IVR BBB- / Stable	IVR BBB- / Negative





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					Date (July 31, 2024)	Date (May 31, 2023)	Date (May 31, 2022)
2.	OCC/ODBD	Long Term	14.30	IVR BBB- / Stable	IVR BBB- / Stable	IVR BBB- / Stable	
3.	Proposed Working Capital	Long Term	3.89	IVR BBB- / Stable	IVR BBB- / Stable	--	
4.	Letter of Credit	Short Term	5.60	IVR A3	IVR A3	IVR A3	IVR A3
5.	Forward Contract	Short Term	2.40	IVR A3	IVR A3	IVR A3	IVR A3
6.	PC/PCFC/FDB/FB E/BRD	Short Term	76.00	IVR A3	IVR A3	IVR A3	

### Analytical Contacts:

Name: Sudarshan Shreenivas

Tel: (022) 62396023

Email: [sudarshan.shreenivas@infomerics.com](mailto:sudarshan.shreenivas@infomerics.com)

### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).



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### Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	December 2029	3.95	IVR BBB- / Stable
Term Loan	-	-	-	February 2026	1.50	IVR BBB- / Stable
Term loan	-	-	-	February 2027	14.00	IVR BBB- / Stable
ECGLS 2.0	-	-	-	February 2026	1.47	IVR BBB- / Stable
ECGLS 2.0 Ext.	-	-	-	September 2026	4.35	IVR BBB- / Stable
GECL 2.0	-	-	-	May 2026	1.28	IVR BBB- / Stable
GECL 2.0 Ext.	-	-	-	February 2027	1.83	IVR BBB- / Stable
Cash Credit	-	-	-	-	8.80	IVR BBB- / Stable
Cash Credit	-	-	-	-	5.50#	IVR BBB- / Stable
PC/PCFC/FDB/FBE /BRD	-	-	-	-	76.00	IVR A3
ILC/FLC	-	-	-	-	3.00*	IVR A3



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ILC/FLC	-	-	-	-	2.60	IVR A3
Forward Cover	-	-	-	-	2.40	IVR A3
Proposed WC	-	-	-	-	3.89	IVR BBB-/Stable

#Sub-limit- WCDL, PSFC/FBD/ FBP/ FBN, EPC/PCFC of Rs. 5.50 cr, Sub-limit- LC/BG of Rs.5.00 cr

\*Sub-limit- BG of Rs. 0.60 cr

### **Annexure 2: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/Len-ValiantGlass-Works-31july25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).