



Date: January 17, 2023

To,

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(East), Mumbai-400051  <b>NSE Code- V2RETAIL</b>	<b>BSE Limited</b> 25 <sup>th</sup> floor, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001  <b>BSE Code-532867</b>
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**Sub: Intimation of Revision in Credit Rating under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find below the details of revision in rating of V2 Retail Limited:

Credit Rating Agency	Type of Rating	Previous Rating	Revised Rating
ICRA Limited	Rating of Fund Based – Working Capital Facilities (Cash Credit) amounting to Rs. 50 Crores	[ICRA] BBB+ (Stable)	[ICRA] BB+ (Stable) ISSUER NOT COOPERATING

The report from the credit rating agency covering the rationale for revision in credit rating is enclosed herewith.

Kindly take the above information on record.

Thanking you,

**Yours truly,  
For V2 Retail Limited**

**Sudhir Kumar  
Company Secretary & Compliance Officer**

Encl: As above

January 16, 2023

## V2 Retail Limited: Moved to Non-Cooperating category, Ratings downgraded based on best available information

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based – Working Capital Facilities (Cash Credit)	50.00	50.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING; Rating downgraded from [ICRA]BBB+(Stable) and moved to the 'Issuer Not Cooperating' category
<b>Total</b>	<b>50.00</b>	<b>50.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

The rating downgrade considers lack of adequate information regarding V2 Retail Limited (VRL) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at [www.icra.in](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with VRL, ICRA has been trying to seek information from the entity so as to monitor its performance. Despite multiple requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities and Key Financial Indicators: [click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy in respect of non-co-operation by rated entity</a>
Parent/Group Support	Not applicable
Consolidation/Standalone	The rating is based on the consolidated financial profile of the company. As of March 31, 2022, it had only one subsidiary, whose details can be found in Annexure 2.

### About the company

V2 Retail Limited, earlier known as Vishal Mega Mart Limited, was incorporated in 2001 by Mr. Ram Chandra Agrawal. The company was a pioneer in creating a value retail chain in India. Vishal Mega Mart offered both apparel and FMCG products from its stores in India’s tier-II and III cities and towns. The company expanded across the country at a swift pace and went public in FY2007. However, it faced headwinds and turned loss-making due to multiple reasons. These included an aggressive debt-funded expansion strategy and weak store locations with poor economics, coupled with lack of IT-backed supply chain management, which led to piling of stocks. To overcome financial constraints, the promoters sold their ‘Vishal’ brand in 2011.

Mr. Agarwal restructured the business and introduced the 'V2 Retail Limited' brand when opened its first store at Jamshedpur (Jharkhand) in 2011.

VRL currently operates 96 retail stores, which mainly sell fashion apparel for men, women and children along with lifestyle products from its stores located primarily in India's tier-II and III cities. The company's presence is concentrated in the northern and eastern states of Uttar Pradesh, Bihar, Odisha, Jharkhand and Assam, etc. The company is primarily focused on the value retailing segment in India, catering to mass market consumers. In line with evolving trends in the retail industry, the company is also present on e-commerce platforms; however, revenues from its online sales account for less than 7% of its turnover at present.

### Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Type	Current rating (FY2023)		Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020
				Jan 16, 2023	Dec 20, 2021	Dec 18, 2020	-
1 Fund-based – Working Capital Facilities (Cash Credit)	Long Term	50.00	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable)	[ICRA]A- (Stable)	-

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-based – Working Capital Facilities (Cash Credit)	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**Annexure-1: Instrument details**

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	<b>Fund-based – Working Capital Facilities (Cash Credit)</b>	NA	NA	NA	50.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING

Source: V2 Retail Limited

**Annexure-2: List of entities considered for consolidated analysis –**

Company Name	Ownership	Consolidation Approach
<b>V2 Smart Manufacturing Private Limited</b>	100%	Full Consolidation

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



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### Branches



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