

Press Release

Vivek Pharmachem India Limited

March 26, 2020



Rating Update

| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs.62.00 Cr. # |
| Long Term Rating | ACUITE BB+ (Downgraded from ACUITE BBB/Stable) Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating* |

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has downgraded its long-term rating of Vivek Pharmachem India Limited to '**ACUITE BB+** (**read as ACUITE double B plus**) from '**ACUITE BBB**' (**read as ACUITE triple B**) and short-term rating to '**ACUITE A4+** (**read as ACUITE A four plus**) from '**ACUITE A3+**' (**read as ACUITE A three plus**). This rating is now an indicative rating and is downgraded on account of information risk.

Vivek Pharmachem India Limited (VPIL) was established in 1975 as a partnership firm under the name 'Vivek Pharmaceuticals'. Later, the company was converted to Private Limited in 1990 and in 1993, reconstituted to closely held public limited company. VPIL is a Jaipur based company promoted by Mr. Kuldeep Gupta and family. It is engaged in manufacturing of pharmaceutical formulations such as capsules and tablets, liquid orals and ointments. The company sells its products in India. It is ISO 9001:2008 certified company. VPIL is also engaged in power generation. The company has 9 windmills and 1 solar plant having total installed capacity of 14.25 Mega Watt (MW).

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

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 endeavored 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.

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

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.

Rating History (Up to last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-------------|-------------------------------------|------------|-----------------|------------------------------|
| 01-Feb-2019 | Cash Credit | Long term | 30.00 | ACUITE BBB/Stable (Assigned) |
| | Term Loans | Long term | 11.62 | ACUITE BBB/Stable (Assigned) |
| | Term Loans | Short Term | 5.00 | ACUITE A3+ (Assigned) |
| | Bank Guarantee/ Letter of Guarantee | Short Term | 15.00 | ACUITE A3+ (Assigned) |
| | Proposed Bank Facility | Long Term | 0.36 | ACUITE BBB/Stable (Assigned) |

***Annexure – Details of instruments rated**

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|-------------------------------------|------------------|----------------|----------------|-------------------------------|--|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 30.00 | ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating* |
| Term Loans | Not Applicable | Not Applicable | Not Applicable | 11.64 | ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating* |
| Term Loans | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating* |
| Bank Guarantee/ Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating* |
| Proposed Bank Facility | Not Applicable | Not Applicable | Not Applicable | 0.36 | ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating* |

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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