



Press Release
Vipul Organics Limited
December 23, 2024

Rating Reaffirmed & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.00	ACUITE C Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	27.00	-	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	30.00	-	-

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

Rating Rationale

Acuite has reaffirmed and withdrawn its long-term rating to '**ACUITE C** (read as **ACUITE Ca**) and short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) on bank facilities of Rs.30.00 Cr. of Vipul Organics Limited (VOL).

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company and NOCs (No Objection Certificates) received from the respective bankers. The rating is now flagged as "Issuer Not-Cooperating" and is based on the best information available.

Rationale for Rating

Acuite, in its press release dated November 14, 2024, downgraded the entity's ratings, citing delays in debt servicing as reported by a Credit Information Company (CIC). Subsequently, Acuite obtained independent feedback from the Risk Management Department of one of lending institutions of the entity, which confirmed that the entity's account was reported to CICs as 'SMA-0' for the months of August 2024, September 2024, and October 2024.

The entity had provided 'No Default Statements' (NDS) for the months of July 2024, August 2024, and October 2024, stating that debt obligations were serviced in a timely manner. However, the NDS for September 2024 and November 2024 were not furnished to Acuite. Based on the independent feedback from the lending institution, Acuite notes that the NDS furnished for August 2024 and October 2024 did not accurately reflect the entity's actual debt-servicing position.

About the Company

VOL, established in 1972 in Mumbai by Mr. Pravichandra B. Shah as a small venture, is involved in the production and trading of pigment powder, pigment dispersion, Dyes, and Dyes Intermediates. In 1994, the company transformed into a public limited entity and became listed on the Bombay Stock Exchange. The role of Managing Director was assumed by Mr. Vipul P. Shah, a chemical engineer by profession and the son of Mr. P. B. Shah. The company currently operates three manufacturing units situated in Tarapur, Ambernath, and Palghar (Maharashtra), collectively offering a total annual capacity of 3120 MT.

Unsupported Rating

Not Applicable

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 the due date. 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. This rating is therefore being flagged as “Issuer not cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

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 endeavoured 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.

Rating Sensitivities

'No information provided by the issuer / available for Acuite to comment upon'

Liquidity Position

'No information provided by the issuer / available for Acuite to comment upon'

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	150.08	133.93
PAT	Rs. Cr.	3.34	1.87
PAT Margin	(%)	2.22	1.40
Total Debt/Tangible Net Worth	Times	0.49	0.54
PBDIT/Interest	Times	5.24	4.39

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Nov 2024	FBN/FBP/FBD/PSFC/FBE	Short Term	12.00	ACUITE A4 (Downgraded from ACUITE A3)
	Post Shipment Credit	Short Term	10.00	ACUITE A4 (Downgraded from ACUITE A3)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Downgraded from ACUITE A3)
	PC/PCFC	Short Term	2.00	ACUITE A4 (Downgraded from ACUITE A3)
	Cash Credit	Long Term	3.00	ACUITE C (Downgraded from ACUITE BBB- Stable)
24 Aug 2023	FBN/FBP/FBD/PSFC/FBE	Short Term	12.00	ACUITE A3 (Reaffirmed)
	PC/PCFC	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Post Shipment Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE BBB- Stable (Reaffirmed)
27 Jul 2022	FBN/FBP/FBD/PSFC/FBE	Short Term	12.00	ACUITE A3 (Reaffirmed)
	PC/PCFC	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Post Shipment Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE BBB- Stable (Reaffirmed)
19 Feb 2021	Bills Discounting	Short Term	9.00	ACUITE A3 (Assigned)
	Bills Discounting	Short Term	3.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	3.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	3.00	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	3.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	9.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE C Reaffirmed & Withdrawn Issuer not co-operating*
Axis Bank	Not avl. / Not appl.	FBN/FBP/FBD/PSFC/FBE	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Bank of Baroda	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Bank of Baroda	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Bank of Baroda	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*

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

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No	Name of the companies
1	Vipul Organics Limited
2	Shree Ambika Naturals Private Limited

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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