



**Press Release**  
**VIMLA FUELS AND METALS LIMITED**  
**January 30, 2025**  
**Rating Downgraded**

| Product                                   | Quantum (Rs. Cr) | Long Term Rating      | Short Term Rating      |
|---|------------------|-----------------------|------------------------|
| Bank Loan Ratings                         | 20.99            | ACUITE C   Downgraded | -                      |
| Bank Loan Ratings                         | 27.26            | ACUITE D   Downgraded | -                      |
| Bank Loan Ratings                         | 25.00            | -                     | ACUITE A4   Downgraded |
| Bank Loan Ratings                         | 46.75            | -                     | ACUITE D   Downgraded  |
| <b>Total Outstanding Quantum (Rs. Cr)</b> | 120.00           | -                     | -                      |
| <b>Total Withdrawn Quantum (Rs. Cr)</b>   | 0.00             | -                     | -                      |

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE D**' (read as **ACUITE Df**) from '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.27.26 crore bank facilities and downgraded its short-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE A3+**' (read as **ACUITE A Three plus**) on the Rs.46.75 crore bank facilities of Vimla Fuels and Metals Limited (VFML).

Acuite has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE Cf**) from '**ACUITE BBB**' (read as **ACUITE Triple B**) on the Rs.20.99 crore bank facilities and downgraded its short-term rating to '**ACUITE A4**' (read as **ACUITE A Four**) from '**ACUITE A3+**' (read as **ACUITE A Three plus**) on the Rs.25.00 crore bank facilities of Vimla Fuels and Metals Limited (VFML).

**Rationale of Rating Downgrade**

The downgrade is based on the LC devolvement's leading to overdrawal in cash credit account for more than 30 days as per the feedback received from banker.

**About the Company**

Vimla Fuels and Metals Limited (VFML), based in Kachchh (Gujarat), was incorporated in February 2016 by Mr. Sanjay Kumar Agrawal. VFML is engaged in the manufacturing and trading of Low Ash Metallurgical (LAM) Coke. The manufacturing plant of the company is located at Bhachau and Lunva, at an optimum distance of 40 kilometres from Kandla Port. The current directors of the company are Mr. Sachin Kumar Agrawal, Mr. Sanjay Kumar Agrawal, Mr. Sandeep Kumar Agrawal, Mr. Gaurav Kumar, Ms. Rakhi Agrawal and Mr. Sarfaraz Mallick

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of VFML to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Established track record of operation along with experienced management.**

VFML was incorporated in 2016 and is in the business of trading and manufacturing of Low Ash Metallurgical Coke. The company has been importing as well as procuring from the domestic market, the high graded coal

required for the manufacturing of LAM Coke at its plants located in Gujarat. The company is currently headed by Mr. Sanjay Kumar Agrawal who has an extensive experience of over two and half decades in this industry. Further, he is also supported by Mr. Sachin Agarwal in the day-to-day operations of the business.

### **Weaknesses**

#### **Instance of LC devolvement leading to overdrawal in account**

Instances of LC devolvement leading to overdrawal in cash credit account for more than 30 days due to delay in

realisation of foreign receivables.

### **Rating Sensitivities**

- Timely servicing of debt obligations

### **Liquidity Position**

#### **Stretched**

Liquidity position of the company is marked stretched due to instances of LC devolvement with banks due to delay in realisation of foreign receivables.

### **Outlook : Not Applicable**

### **Other Factors affecting Rating**

None

## Key Financials

| Particulars                   | Unit    | FY 24 (Provisional) | FY 23 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income              | Rs. Cr. | 623.79              | 712.75         |
| PAT                           | Rs. Cr. | 38.87               | 42.57          |
| PAT Margin                    | (%)     | 6.23                | 5.97           |
| Total Debt/Tangible Net Worth | Times   | 0.20                | 0.19           |
| PBDIT/Interest                | Times   | 7.97                | 11.17          |

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

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities | Term       | Amount (Rs. Cr) | Rating/Outlook                 |
|-------------|--------------------------------|------------|-----------------|--------------------------------|
| 05 Aug 2024 | Letter of Credit               | Short Term | 46.75           | ACUITE A3+ (Assigned)          |
|             | Letter of Credit               | Short Term | 25.00           | ACUITE A3+ (Assigned)          |
|             | Cash Credit                    | Long Term  | 25.00           | ACUITE BBB   Stable (Assigned) |
|             | Cash Credit                    | Long Term  | 20.00           | ACUITE BBB   Stable (Assigned) |
|             | Working Capital Term Loan      | Long Term  | 2.26            | ACUITE BBB   Stable (Assigned) |
|             | Proposed Long Term Loan        | Long Term  | 0.99            | ACUITE BBB   Stable (Assigned) |

**Annexure - Details of instruments rated**

| <b>Lender's Name</b> | <b>ISIN</b>          | <b>Facilities</b>         | <b>Date Of Issuance</b> | <b>Coupon Rate</b>   | <b>Maturity Date</b> | <b>Quantum (Rs. Cr.)</b> | <b>Complexity Level</b> | <b>Rating</b>                                    |
|----------------------|----------------------|---------------------------|-------------------------|----------------------|----------------------|--------------------------|-------------------------|--|
| State Bank of India  | Not avl. / Not appl. | Cash Credit               | Not avl. / Not appl.    | Not avl. / Not appl. | Not avl. / Not appl. | 25.00                    | Simple                  | ACUITE D  <br>Downgraded ( from<br>ACUITE BBB )  |
| CSB Bank Limited     | Not avl. / Not appl. | Cash Credit               | Not avl. / Not appl.    | Not avl. / Not appl. | Not avl. / Not appl. | 20.00                    | Simple                  | ACUITE C  <br>Downgraded ( from<br>ACUITE BBB )  |
| State Bank of India  | Not avl. / Not appl. | Letter of Credit          | Not avl. / Not appl.    | Not avl. / Not appl. | Not avl. / Not appl. | 46.75                    | Simple                  | ACUITE D  <br>Downgraded ( from<br>ACUITE A3+ )  |
| CSB Bank Limited     | Not avl. / Not appl. | Letter of Credit          | Not avl. / Not appl.    | Not avl. / Not appl. | Not avl. / Not appl. | 25.00                    | Simple                  | ACUITE A4  <br>Downgraded ( from<br>ACUITE A3+ ) |
| Not Applicable       | Not avl. / Not appl. | Proposed Long Term Loan   | Not avl. / Not appl.    | Not avl. / Not appl. | Not avl. / Not appl. | 0.99                     | Simple                  | ACUITE C  <br>Downgraded ( from<br>ACUITE BBB )  |
| State Bank of India  | Not avl. / Not appl. | Working Capital Term Loan | Not avl. / Not appl.    | Not avl. / Not appl. | 01 Jan 2027          | 2.26                     | Simple                  | ACUITE D  <br>Downgraded ( from<br>ACUITE BBB )  |

## Contacts

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|---|---|
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### About Acuité Ratings & Research

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