



Press Release
VEEKAY PLAST ENERGY LIMITED (ERSTWHILE VEEKAY PLAST)
January 21, 2026
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.15	ACUITE BB+ Stable Assigned	-
Bank Loan Ratings	30.80	ACUITE BB+ Stable Reaffirmed	-
Bank Loan Ratings	25.00	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	59.95	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of '**ACUITE BB+**' (read as **ACUITE double B Plus**) and reaffirmed its short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 55.80 crore bank facilities of VeeKay Plast Energy Limited (Erstwhile VeeKay Plast) (VPEL). The outlook is '**Stable**'.

Acuité has assigned its long-term rating of '**ACUITE BB+**' (read as **ACUITE double B Plus**) on Rs. 4.15 crore bank facilities of VeeKay Plast Energy Limited (Erstwhile VeeKay Plast) (VPEL). The outlook is '**Stable**'.

Rationale for Rating

The rating reaffirmation is on account of moderation in operating performance and financial risk profile marked by higher leverage ratios and expected further moderation in coverage ratios on the back of debt funded capex. The rating also factors in the experienced management. However, the rating is constrained by working capital intensive nature of operations with high bank limit utilisations, volatility in raw material prices amidst tender based nature of operations impacting profitability.

About the Company

Established in 1996, VeeKay Plast (VP) began as a partnership firm and was later reconstituted as an unlisted public limited company on March 31, 2025, under the name VeeKay Plast Energy Limited (VPEL). The company is currently managed by Mr. Sanjay Godika along with other directors. The company is engaged in the manufacturing of High-Density Polyethylene (HDPE) pipes, Double wall corrugated (DWC) pipes and Medium Density Polyethylene (MDPE) pipes catering to telecom, gas and water segment. The manufacturing facilities are located in Jaipur, Rajasthan and Hyderabad, Telangana.

Unsupported Rating

Not Applicable

Analytical Approach

For arriving at its rating, Acuité has considered the standalone business and financial risk

profile of Veeckay Plast Energy Limited (Erstwhile Veeckay Plast) (VPEL).

Key Rating Drivers

Strengths

Long operational track record and experienced management

The Directors of Veeckay Plast Energy Limited (Erstwhile Veeckay Plast), Mr. Vijay Kumar Katiyar, Mrs. Reema Godika and Mr. Vimal Katiyar have more than two decades of experience in the pipe industry. Having more than two decades of operational track record has helped the company to maintain and establish strong relations with its customers as well as with its suppliers. The company is also setting up an 8 MW solar power plant driven by business acumen of the directors. Acuite believes that the company will leverage benefits from the experienced management over the medium term.

Modest scale of operations with moderation in operating performance

The operating income of the company stood at Rs. 117.25 crore in FY2025 from Rs. 117.30 crore in FY2024. The operating profit margin of the company stood at 9.64 percent in FY2025 as against 10.80 percent in FY2024. The company has booked revenue of Rs. 55.07 crore till December 31, 2025. The expected revenue for FY2026 is Rs ~ 110-130 crore. The moderation is on account of headwinds and challenges persistent in plastic industry. The company has total orders in hand of Rs 113.65 crore are to be executed by end of next 3-4 Months. The PAT margins stood at 6.21 percent in FY2025 as against 6.12 percent in FY2024. Acuité believes, that the ability of the company to improve revenue and profitability will remain a key rating sensitivity.

Weaknesses

Average financial risk profile & capital structure driven by debt funded capex

The financial risk profile remains average marked by average debt protection metrics albeit moderate net worth and high gearing. The tangible net worth stood at Rs. 16.45 Cr. as on 31st March 2025 as compared to Rs. 35.81 Cr. as on 31st March, 2024. The decline in net worth is due to withdrawal of capital by partners to address capital requirements for conversion to Private Limited company on 31st March 2025.

The company has a total debt of Rs. 39.81 Cr. as on March 31, 2025, as against Rs. 32.21 Cr. as on March 31, 2024. The total debt of Rs. 39.81 Cr. consists of Rs. 26.93 Cr. of short-term debt, Rs. 0.61 Cr. of long-term debt, Rs. 11.16 Cr. of unsecured loan from directors, Rs. 1.11 Cr. of current maturities of long-term debt. Therefore, the gearing (debt-equity) stood high at 2.42 times as on 31st March, 2025 as compared to 0.90 times as on 31st March, 2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 4.32 times as on 31 March 2025 as against 1.27 times as on 31 March 2024. Furthermore, the debt protection matrices of the company with interest coverage-ratio (ICR) and debt-service coverage-ratio (DSCR) of 3.46 times and 1.85 times for FY2025 as against 2.28 times and 1.55 times in FY2024 respectively. Also, the Debt to EBITDA of the company stood at 2.46 times for FY2025 as against 2.15 times for FY2024. The Net Cash Accruals to Total debt (NCA/TD) stood at 0.21 times for FY2025.

The company is in the final stages of setting up an 8 MW solar power plant in Bikaner, Rajasthan at an estimated cost of Rs. 46.10 crore. The project is being funded through a term loan of Rs. 32.20 crore for the tenure of 15 years with presence of debt service reserve account (DSRA) and ESCROW mechanism, wherein the balance Rs. 13.90 crore to be met through internal accruals and unsecured loans from promoters. The project is likely to commence by February 2026. The 8MW solar power plant will have a capacity to generate 5000 units per MW per day. VPEL has entered a PPA for 25 years with Jodhpur Vidyut Vitran Nigam Limited (JDVVNL) for sale of solar power with a fixed tariff of Rs. 3.37 (4MW) and Rs. 3.40 (4MW). Notwithstanding the benefits accrue due to capex which will contribute marginally in revenues and profitability, the financial risk profile is expected to deteriorate to an extent with high gearing and moderate coverage indicators.

Working capital intensive operations

The operations of the company remained working capital intensive marked by gross current asset (GCA) of 223 days in FY2025 as against 184 days in FY2024. GCA days are primarily led by high debtor days and other current assets (OCA). Debtor days stood at 148 days in FY2025, compared to 108 days in FY2024. The inventory holding stood at 73 days in FY2025 as against 81 days in FY2024. On the other hand, the creditors' period stood moderate at 110 days in

FY2025 as against 52 days in FY2024, owing to a moderate credit period of 30-60 days extended by the suppliers to the company. The average fund-based Bank Limit Utilization in last 06 months ended November 2025 stood high ~94.78 percent and with no utilisation of the non-fund-based limits. Acuite believes that the working capital operations of the company may continue to remain moderate over the medium term.

Highly competitive industry with susceptibility of margins to volatility in raw material prices

The pipes and fittings sector is marked by intense competition, with players from both organized and unorganized segments. The fragmented nature of the market restricts pricing flexibility of industry players. The key raw materials: plastic granules and master batch are derived from crude oil, making input costs highly sensitive to global price movements. Any sharp change in crude oil prices can directly affect profitability. While the company's established supplier relationships provide some cushion by enabling fair price negotiations, the company's ability to sustain operating margins over the medium term will remain an important factor to monitor.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Veeekay Plast Energy Limited (formerly Veeekay Plast) (VPEL) stipulates a Debt Service Reserve Account (DSRA) equivalent to three-months of repayment obligations along with ESCROW mechanism.

Stress case Scenario

Acuité believes that, given the presence of DSRA and waterfall payment in ESCROW mechanism, Veeekay Plast Energy Limited (formerly Veeekay Plast) (VPEL) will be able to service its debt on time, even in a stress scenario.

Rating Sensitivities

- Sustained improvement in scale of operations along with improving profitability in the plastic division.
- Significant increase in the external debt levels leading to deterioration in the financial risk profile.
- Successful commencement and stabilization of solar plant capex.
- Any deterioration of its working capital operations and liquidity position

Liquidity Position

Adequate

The company generated sufficient net cash accruals (NCAs) of Rs. 8.52 Cr. against repayment obligations of Rs. 2.46 Cr. in FY2025. Going forward, the NCAs are expected to remain in the range of Rs. 5.00 Cr. – Rs. 6.00 Cr. against repayment obligations of Rs. 1.00 – Rs. 2.50 Cr. for FY2026 and FY2027. The current ratio stood at 1.24 times on March 31, 2025. Further, the company also had an unencumbered cash and bank balance of Rs. 2.19 Cr. on March 31, 2025. Also, the average fund-based Bank Limit Utilization in last 06 months ended November 2025 stood high ~94.78 percent and with no utilisation of the non-fund-based limits. Acuite believes that the liquidity would remain adequate due to steady cash accruals, moderate current ratio albeit high reliance on bank limits and debt funded capex plan over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	117.25	117.30
PAT	Rs. Cr.	7.28	7.18
PAT Margin	(%)	6.21	6.12
Total Debt/Tangible Net Worth	Times	2.42	0.90
PBDIT/Interest	Times	3.46	2.28

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>
- 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. Acuite'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
23 Oct 2024	Bank Guarantee (BLR)	Short Term	13.60	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	2.40	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	8.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	12.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	0.52	ACUITE BB+ Stable (Reaffirmed)
	Cash Credit	Long Term	16.00	ACUITE BB+ Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.19	ACUITE BB+ Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.09	ACUITE BB+ Stable (Reaffirmed)
26 Jul 2023	Bank Guarantee (BLR)	Short Term	8.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	8.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	12.00	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Term Loan	Long Term	1.49	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Cash Credit	Long Term	16.00	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Working Capital Term Loan	Long Term	1.37	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Working Capital Term Loan	Long Term	2.91	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Proposed Long Term Bank Facility	Long Term	0.97	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
	Working Capital Term Loan	Long Term	1.66	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank Of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE A4+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A4+ Reaffirmed
Bank Of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.85	Simple	ACUITE BB+ Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE BB+ Stable Reaffirmed
Bank Of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.15	Simple	ACUITE BB+ Stable Assigned
Bank Of Baroda	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A4+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Oct 2026	0.49	Simple	ACUITE BB+ Stable Reaffirmed
Bank Of Baroda	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	04 Nov 2026	0.46	Simple	ACUITE BB+ Stable Reaffirmed

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