

Vivimed Labs Limited

June 19,2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	266.93	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	109.50	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE had, vide its press release dated May 31, 2022, placed the rating(s) of Vivimed Labs Limited (VLL) under the 'issuer non-cooperating' category as VLL had failed to provide information for monitoring of the rating. VLL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated April 06,2023 to May 23, 2023. In line with the extant SEBI guidelines, CARE has reviewed the rating based on the best available information which however, in CARE Rating's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders, and the public at large) are hence requested to exercise caution while using the above rating(s).

The reaffirmation in the ratings assigned to the bank facilities of Vivimed Labs Limited (VLL) is primarily due to continued delays in the company's ability to meet debt obligations due to cash flow mismatches and deterioration in the liquidity profile.

Analytical approach: Consolidated; CARE has considered the consolidated financials and business profile of VLL and its subsidiaries.

Outlook: Not Applicable

Detailed description of the key rating drivers:

At the time of last rating on [May 31,2022](#) the following were the rating strengths and weaknesses (updated for the information available from BSE)

Key weaknesses

Cash flow mismatches and stretched liquidity resulting in ongoing delays in debt servicing: The liquidity profile of VLL deteriorated on account of cash flow mismatches. The same has resulted in delays with respect to debt servicing of the company.

Decline in financial performance: The company's revenue declined to Rs. 187.10 crore in FY23 (consolidated) from Rs. 237.29 crore in FY22. Further, the loss reported reduced from Rs. -67.65 in FY22 to Rs. -328.53 crore in FY23(A).

Key strengths

Experienced & qualified promoters and management team: The promoters of VLL have over two decades of experience in the pharmaceutical and chemical business. Mr. Santosh Varalwar (Managing Director), a management graduate, is primarily responsible for developing new markets for the company's products. VLL's board is ably supported by a team of professionals in the areas of finance, marketing, quality control, R&D, material and production.

Long-track record of operations with a unique diversified product portfolio backed by marquee clientele: VLL, established in 1988, is a global player engaged in manufacturing of speciality chemicals and pharmaceutical products. The company has 12 manufacturing facilities and 6 R&D facilities spread across the globe.

Liquidity: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)
[Consolidation](#)
[Factoring Linkages Parent Sub JV Group](#)
[Financial Ratios – Non financial Sector](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Credit Watch](#)
[Short Term Instruments](#)
[Manufacturing Companies](#)
[Pharmaceutical](#)
[Policy on Withdrawal of Ratings](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

Vivimed Labs Limited (VLL) incorporated in 1988 is a Hyderabad-based listed company engaged in manufacturing of pharmaceuticals (APIs and formulations for various therapeutic segments), personal care and colour chemistry industrial products. VLL has manufacturing facilities in India and Overseas (under subsidiaries). Within the FDF business, it provides contract manufacturing services to some of its marquee clients in the pharmaceuticals space, namely Novartis International AG, Glenmark Pharmaceuticals, Lupin, GlaxoSmithKline Pharmaceuticals Ltd. (GSK Pharmaceuticals), Dr. Reddy's Laboratories, Cipla, Abbott Laboratories, Merck Serono, Wockhardt, and so on. VLL has 12 manufacturing facilities, 6 R&D centres and global support offices in India, China, Europe and the US which adhere to the highest levels of compliance and manufacture high-quality products.

Brief Financials (₹ crore) - Consolidated	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	237.29	187.10
PBILDT	-8.06	-187.31
PAT	-67.65	-328.53
Overall gearing (times)	2.12	-2.42
Interest coverage (times)	-0.20	-5.22

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Brief Financials (₹ crore) - Standalone	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	219.63	177.06
PBILDT	-7.96	-187.94
PAT	-67.75	-328.01
Overall gearing (times)	1.35	8.59
Interest coverage (times)	-0.20	-5.33

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	152.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-External Commercial Borrowings		-	-	March 2019	32.50	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	July 2021	82.43	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-Bill Discounting/ Bills Purchasing		-	-	-	30.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-EPC/PSC		-	-	-	32.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	46.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT	152.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-May-22)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-21)	-
2	Non-fund-based - ST-Letter of credit	ST	46.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-May-22)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-21)	-
3	Fund-based - LT-Term Loan	LT	82.43	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-May-22)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-21)	-
4	Fund-based - ST-EPC/PSC	ST	32.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-May-22)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-21)	-
5	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	30.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-May-22)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-21)	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
6	Non-fund-based - ST-Bank Guarantee	ST	1.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-May-22)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-21)	-
7	Fund-based - LT-External Commercial Borrowings	LT	32.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (31-May-22)	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-21)	-

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-External Commercial Borrowings	Simple
3	Fund-based - LT-Term Loan	Simple
4	Fund-based - ST-Bill Discounting/ Bills Purchasing	Simple
5	Fund-based - ST-EPC/PSC	Simple
6	Non-fund-based - ST-Bank Guarantee	Simple
7	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ramesh Bob Asineparthi Director CARE Ratings Limited Phone: +91-40-4010 2030 E-mail: ramesh.bob@careedge.in</p>	<p>Analytical Contacts</p> <p>Karthik Raj K Director CARE Ratings Limited Phone: +91-80-4662 6666 E-mail: karthik.raj@careedge.in</p> <p>Y Tejeshwar Reddy Assistant Director CARE Ratings Limited Phone: +91-40-4010 2030 E-mail: Tejeshwar.Reddy@careedge.in</p> <p>Saba Shaikh Analyst CARE Ratings Limited E-mail: Saba.Shaikh@careedge.in</p>
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About us:

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