

## United Capz Private Limited

March 20, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	17.26	CARE D; ISSUER NOT COOPERATING*	Downgraded from CARE B; Stable and moved to 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 Ratings Ltd. has been seeking information from United Capz Private Limited (UPCL) to monitor the rating(s) vide e-mail communications/ letters dated March 12, 2025, March 11, 2025, March 07, 2025, March 04, 2025, and February 04, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. Also, UCPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on UCPL's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING\***

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

The rating has been revised on account of non-availability of requisite information to conduct the review and delays reported in repayment of term loan as per FY24 audit report.

**Analytical approach:** Standalone

### Detailed description of key rating drivers:

At the time of last rating, following were the rating weaknesses and strengths (updated from FY24 audit report):

#### Key weaknesses

##### Delays in debt repayment

As per the FY24 audit report, United Capz Private Limited has defaulted in repayment of term loan.

##### Decrease in scale of operations coupled with loss in FY24

In FY24, UCPL's TOI witnessed a degrowth of 30% to Rs. 25.69 crores in FY24 from Rs. 36.54 crore in FY23. With dip in scale of operations, UCPL registered cash loss of Rs. 5.12 crore as against cash profit of Rs. 2.15 crore.

##### Deterioration in capital structure and debt coverage indicators

Due to net loss in FY24, UCPL's networth base turned negative to Rs.8.18 crore as on March 31, 2024. This weakened the company's capital structure and debt coverage indicators.

##### Presence in highly fragmented and competitive nature of industry and exposure to government regulations

UCPL is engaged in the manufacturing of wide variety of gelatine and cellulose based capsule shells which serve as raw material (excipient) for pharmaceutical and food supplement industry. The industry is characterized by a high level of competition having presence of a large number of small and big players. All the products and companies of pharmaceutical industry are regulated by several policies and bodies in terms of pricing, quality control, safety, health standards, several other certifications, control standards. Also, APIs, excipients (e.g., shell capsules) and other pharmaceutical products have to maintain compliance with regulatory policies of each export destination like the US FDA, EUGMP etc. in order to sustain sales. UCPL, being present in the highly regulated industry is susceptible to any adverse change in the Government policy regarding the same.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

## Key strengths

### Experienced promoters in diversified industries

UCPL was initially promoted by Late Mr. Dahyabhai, Mr. Mahesh Panchal and Mr. Rakesh Dahanuwala. Mr. Mahesh Panchal resigned as director and Mr. Bhavesh Dahanuwala and Ms. Jagruti Patel were appointed as director of UCPL in 2018.

### Location advantage due to cluster presence

The manufacturing facility of UCPL is in Valsad (Gujarat) which is one of the largest pharmaceutical clusters in India. The primary raw material i.e., gelatine, water and food colour are easily available from Gujarat and Maharashtra. Other advantages include easy availability of labour as well as accessibility of water and power.

## Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Pharmaceuticals](#)

[Financial Ratios – Non financial Sector](#)

[Policy On Curing Period](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

Thane-based (Maharashtra) UCPL was incorporated on October 08, 2015 as a private limited company by Late Mr. Dahyabhai Patel, Mr. Rakesh Dahanuwala and Mr. Mahesh Panchal. Currently, Mr. Rakesh Dahanuwala, Mr. Bhavesh Dahanuwala and Ms. Jagruti Patel holds directorship in UCPL. UCPL is engaged into manufacturing of Empty Hard Gelatin Capsule (EHGC) shells operating from plant situated in Valsad (Gujarat) with an installed capacity of manufacturing 750 crore capsule shells per annum as on March 31, 2023. UCPL commenced its operations from newly commissioned plant from May 2019 onwards.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	36.54	25.69
PBILDT	4.11	-4.36
PAT	-3.48	-10.59
Overall gearing (times)	13.22	NM
Interest coverage (times)	1.85	NM

A: Audited UA: Unaudited; Note: these are latest available financial results; NM: not meaningful

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of 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 and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	4.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	July, 2027	13.26	CARE D; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for 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 2024-2025	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
1	Fund-based - LT-Term Loan	LT	13.26	CARE D; ISSUER NOT COOPERATING*	-	1)CARE B; Stable (08-Mar-24) 2)CARE B+; Stable (16-May-23)	1)CARE B; Stable; ISSUER NOT COOPERATING* (28-Mar-23)	1)CARE B; Stable (30-Mar-22) 2)CARE B; Stable (28-Sep-21)
2	Fund-based - LT-Cash Credit	LT	4.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE B; Stable (08-Mar-24) 2)CARE B+; Stable (16-May-23)	1)CARE B; Stable; ISSUER NOT COOPERATING* (28-Mar-23)	1)CARE B; Stable (30-Mar-22) 2)CARE B; Stable (28-Sep-21)

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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### About us:

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### Disclaimer:

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