

## Vapi Care Pharma Private Limited

October 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	0.37	CARE BB+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	9.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable / CARE A3 and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.00	CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE A3 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 Limited (CareEdge Ratings) has been seeking information from Vapi Care Pharma Private Limited (VCPPL) to monitor the ratings vide e-mail communications/ letter dated September 09, 2025, September 04, 2025, August 26, 2025, August 19, 2025, August 11, 2025 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Further, VCPPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on VCPPL's bank facilities will now be denoted as **CARE BB+; Stable/CARE A4+; 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.**

Ratings have been revised on account of non-availability of the requisite information to conduct the review. The ratings assigned to the bank facilities of VCPPL continue to remain constrained due to moderate scale of operations with declining profitability during FY25 (Provisional, refers to period from 01 April to 31 March). The ratings also remained constrained on account of presence in highly fragmented and regulated nature of industry with susceptibility of profit margins to raw material price volatility. The above ratings derives strength from extensive experience of promoters in pharmaceutical industry, diversified product mix covering several therapeutic segments, WHO-GMP certified facilities and reputed although concentrated customer base.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on October 24, 2024, the following were the rating strengths and weaknesses (updated for part information received from VCPPL).

#### Key weaknesses:

##### Moderate scale of operations with declining profitability

The scale of operations as marked by total operating income (TOI) declined from Rs.85.25 crore in FY24 to Rs.75.55 crore in FY25. The profitability position as marked by PBILDT margin also declined y-o-y in past five years ended FY25. PBILDT margin remained at 4.51% in FY25 (4.78% in FY24). PAT margin also declined from 3.41% in FY24 to 2.25% in FY25.

##### Presence in highly fragmented and regulated industry

The company faces intense competition in domestic markets. Pricing pressure, increasing regulation, increased sensitivity towards product performance are the key issues in pharmaceutical industry. Pharmaceutical industry has been a highly regulated industry worldwide by virtue of its direct bearing on public health. Further, government regulations, including those implemented by the National Pharmaceutical Pricing Authority (NPPA), have also impacted the industry's growth and profitability. Nevertheless, domestic formulations segment is expected to grow led by rise in chronic diseases, increasing per capita income and improvement in access to healthcare facilities and growing penetration of health insurance.

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

### Susceptibility to volatility in prices of raw material

Major raw materials required for the company are API (Active Pharmaceuticals Ingredients); prices of which are volatile. Since, raw material is the major cost driver for the company, upward movement in raw material prices, with no increase in prices of finished products in an intensely competitive industry may result in adverse performance of the company.

### Key strengths

#### Extensive experience of promoters in the pharmaceutical industry

VCPPL's overall operations are managed by Kamal Shah who holds healthy experience of over three decades in pharma industry. The promoter is also assisted by qualified and experienced top management team. Being in the industry for long, enabled the promoter in gaining adequate acumen about the business, which aids in the company's smooth operations. Apart from this, VCPPL's directors also promoted two partnership concerns, including Yash Packaging and Saroj Packaging which are engaged in manufacturing pharmaceutical packaging products.

#### Comfortable capital structure and debt coverage indicators

VCPPL's capital structure remained highly comfortable marked by overall gearing at 0.11x as on March 31, 2025, as against 0.02x as on March 31, 2024, due to higher utilization of working capital limits on balance sheet date. Debt coverage indicators also remained comfortable marked by total debt to gross cash accruals (TD/GCA) of 0.32x as on March 31, 2024 (FY23: 0.54x). Interest coverage ratio continue to remain at comfortable level of 10.20x in FY25 as against 15.14x in FY24.

#### Diversified product mix covering several therapeutic segments

VCPPL manufactures varied products across therapeutic segments such as Antibiotic, Anti-malaria, Anti-Infective, Pain management, Dermatology, Anti-Diabetic, Cardiac Care, Orthopaedic, Paediatrics, Gastro, Central Nervous System (CNS) and many more covering almost every major therapeutic segment. VCPPL has established a strong presence in the local market in the last three decades.

#### WHO-GMP certified manufacturing facilities

VCPPL has manufacturing operations complying with highest quality standards in India to provide best quality products to the Indian market. The manufacturing facilities are built as per the GMP standards and are WHO GMP Certified.

#### Reputed customers base despite concentration and retention risk exists

VCPPL is in pharma formulations since almost three decades and has an established customer base leading to lowing the counterparty credit risk. VCPPL's customer portfolio includes reputed pharma players such as Alembic Pharmaceuticals Limited, Mankind Pharma Limited, and Shalina Laboratories Private Limited among others. However, the customer base remained concentrated with top five customers contributing 75% and 84% of TOI for FY25 and FY24, respectively. Moreover, there are no long-term contract arrangements with the customers under contract manufacturing segment, which impedes the revenue visibility.

### Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Pharmaceuticals](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

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

Vapi-based (Gujarat) VCPPL was incorporated as a private limited company in 1996. The company is engaged in contract manufacturing pharmaceutical formulations of Beta-Lactam and Non-Beta-Lactam products with an installed capacity of 1800 million tablets strips, 224 million capsules strips, 24 million dry syrups, 24 million liquid orals and 9 million ointments as on March 31, 2025. VCPPL has its WHO-GMP approved plant at Vapi GIDC and Regulatory Authority of Nigeria. VCPPL has extensive presence in Asia, Africa, and Latin America.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	85.25	75.55
PBILDT	4.07	3.41
PAT	2.90	1.70*
Overall gearing (times)	0.02	0.11
Interest coverage (times)	15.14	10.20

A: Audited UA: Unaudited \*tax rate assumed @25%.; Note: these are latest available financial results

#### Status of non-cooperation with previous CRA:

CRISIL has suspended rating assigned to bank facilities of VCPPL vide press release dated September 12, 2014, considering non-cooperation by VCPPL with CRISIL's efforts to undertake a review of ratings outstanding.

ICRA has suspended rating assigned to bank facilities of VCPPL vide press release dated June 21, 2016, considering non-cooperation by VCPPL with ICRA's efforts to undertake a review of Ratings outstanding.

**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-Term Loan		-	-	June-2025	0.37	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Cash Credit		-	-	-	7.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Fund-based/Non-fund-based-LT/ST		-	-	-	2.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.00	CARE A4+; 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 2025-2026	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
1	Fund-based - LT/ST-Cash Credit	LT/ST	7.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable / CARE A3 (24-Oct-24)	1)CARE BBB-; Stable / CARE A3 (07-Nov-23)	1)CARE BB+; Stable / CARE A4+ (27-Sep-22)
2	Non-fund-based - ST-Bank Guarantee	ST	1.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3 (24-Oct-24)	1)CARE A3 (07-Nov-23)	1)CARE A4+ (27-Sep-22)
3	Fund-based - LT-Term Loan	LT	0.37	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (24-Oct-24)	1)CARE BBB-; Stable (07-Nov-23)	1)CARE BB+; Stable (27-Sep-22)
4	Fund-based/Non-fund-based-LT/ST	LT/ST	2.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable / CARE A3 (24-Oct-24)	1)CARE BBB-; Stable / CARE A3 (07-Nov-23)	1)CARE BB+; Stable / CARE A4+ (27-Sep-22)

\*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-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple
4	Non-fund-based - ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CareEdge 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.

## Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: 912267543444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Kalpesh Ramanbhai Patel Director <b>CARE Ratings Limited</b> Phone: 079-40265611 E-mail: <a href="mailto:kalpesh.patel@careedge.in">kalpesh.patel@careedge.in</a></p> <p>Sajni Shah Assistant Director <b>CARE Ratings Limited</b> Phone: 079-40265636 E-mail: <a href="mailto:Sajni.Shah@careedge.in">Sajni.Shah@careedge.in</a></p> <p>Jalpa Rughani Lead Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:jalpa.rughani@careedge.in">jalpa.rughani@careedge.in</a></p>
--	---

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**