

Vippy Industries Limited

November 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	180.00	CARE BBB+; Stable / CARE A2	Reaffirmed
Short-term bank facilities	20.00	CARE A2	Reaffirmed
Long-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Vippy Industries Limited (VIL) continue to derive strength from the vast experience of its promoters in the edible oil and soya meal industry, established track record of operation and proximity to raw material procuring area, moderate scale of operations, comfortable capital structure and adequate liquidity.

However, ratings continue to remain constrained by its low operating profit margin, and weak debt coverage indicators. Ratings continue to factor in large inventory holding requirement due to seasonality associated with the availability of soya bean seeds, profitability susceptible to volatile agro-commodity prices and foreign exchange fluctuation risk and its presence in a highly competitive soya meal and edible oil industry.

The long-term bank facility has been withdrawn as the term loan has been fully repaid.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in scale of operation supported by addition of value-added products and increase profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 3.50% on a sustained basis.
- Improvement in capital structure and improvement in PBILDT interest coverage above 5.00x and total debt to gross cash accrual (TD/GCA) below 4.00x on a sustained basis.

Negative factors

- Decline in scale of operations to below ₹1,300 crore and PBILDT margin below 1.25% on a sustained basis.
- Deterioration in net overall gearing (adjusted for total debt less cash and bank including liquid investments) to over 1.00x on a sustained basis.
- Significant increase in the inventory holding level, resulting in operating cycle beyond 90 days.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectations that the company shall continue to benefit from long track record of operations and extensive experience of its promoters in the edible oil industry.

Detailed description of key rating drivers:

Key strengths

Experienced promoters in the edible oil industry

VIL is managed by Rahul Mutha and Praneet Mutha as Managing Director and Joint Managing Director, respectively. Rahul Mutha has over three decades of experience, while Praneet Mutha has over two decades of experience in the edible oil industry.

Established operations with proximity to the raw material procuring area

VIL has an established track record of over five decades in the solvent extraction and edible oil refining business. It established its operations in 1973, followed by major technological upgrade of its plant and machinery in 1995-96. It has since built its

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

portfolio of value-added non-genetically modified (non-GMO) soya products. VIL is based in Madhya Pradesh, the largest soyabean-producing state in India, which makes it easier to procure quality soya seeds.

Moderate scale of operations

VIL crushes non-GMO soyabean seeds to extract crude soya oil and value-added products, such as soya grits, soya flour, soya flakes, soya chunks, soya hulls, refined edible soya oil, soya lecithin and soya fatty acid. It refines crude soya oil, which it sells in bulk and under its brand name, "VAMA". VIL has established and diversified customer base in domestic and export market. Currently, the company is regularly exporting value-added non-GMO soya products to over 40 countries across the globe with exports forming 26% net sales in FY25 (FY24: 29%).

In FY25, VIL's total operating income (TOI) moderated to ₹1860.09 crore in FY25 compared to ₹1979.48 crore in FY24 due to decline in sales realisation of soya de-oiled cake (DOC) and sales volume of refined oil and value-added products segment on year-over-year (y-o-y) basis. VIL reported TOI of ₹928.85 crore in H1FY26.

Comfortable capital structure despite weak debt coverage indicators

VIL's capital structure remained comfortable marked by overall gearing of 0.64x as on March 31, 2025 (0.65x as on March 31, 2024). Adjusted overall gearing (adjusted for free cash and bank balance) stood at 0.47x as on March 31, 2025 (0.52x as on March 31, 2024). Major part of debt was in the form of working capital borrowings and the company does not have term debt obligations.

With low profitability, debt coverage indicators remained weak marked by PBILDT interest coverage of 1.72x (FY24: 1.28x) and TD/GCA of 14.66x (FY24: 20.55x) in FY25. PBILDT interest coverage remained at 1.75x in H1FY26.

Key weaknesses

Low profitability

In FY25, PBILDT margin improved to 1.24% compared to 0.93% in FY24 with increased contribution of refined oil and value-added products, which fetch better margin compared to soya DOC. However, overall profitability remained range bound, considering raw material price volatility, limited value addition and concentration of soya DOC in the product basket, which fetches lower profitability.

Contribution of refined oil as part of TOI improved to 32% in FY25 against 27% in FY24 and value-added products contributed 13% of TOI in FY25 against 7% in FY24, while contribution from soya DOC reduced to 47% in FY25 compared to 61% in FY24. PBILDT margin improved marginally to 1.41% in H1FY26, considering stabilisation of raw material prices to some extent. CareEdge Ratings expects PBILDT margin to remain range bound, going forward.

Large inventory holding requirement with seasonality associated with soyabean seeds

Soyabean seed is generally available from the onset of harvesting season, which is October to January and is procured locally from different mandis through commission agents and traders and from farmers. VIL's requirement of working capital is influenced by the seasonal availability and quality of soyabean seeds, which is generally high in the peak season and crop prospect in the major soyabean-growing countries across the globe. VIL funds its working capital requirement through own funds, working capital bank borrowings and overdraft against fixed deposit. Apart from these, VIL also avails short-term loan to fund its growing working capital requirement in the procurement season. As on September 30, 2025, VIL had total stock inventory of ₹187.11 crore compared to ₹173 crore as on September 30, 2024.

Profitability susceptible to volatile raw material prices and foreign exchange fluctuation risk

VIL uses soya seeds and soya crude oil as its major raw material whose prices are determined based on demand and supply of soya seeds, which depends on rainfall, area under cultivation and government policies such as minimum support price, and import/export duty among others. Prices are also susceptible to the international demand-supply gap and weather conditions in major soya-growing nations, such as the USA, Brazil, China, India, and Argentina. Inventory holding in the absence of hedging poses a significant risk to its profitability in case of adverse price movement of raw material.

VIL is a net exporter, and thus exposed to adverse fluctuation in foreign currency exchange risk. However, this is partially mitigated by VIL entering forward contract as per the company's hedging policy. The company reported foreign exchange gain of ₹1.23 crore in FY25 against gain of ₹0.55 crore in FY24.

Presence in a competitive soya edible oil industry

The Indian edible oil industry is highly competitive due to low entry barriers and low capital intensity. Profitability is inherently thin and is further exposed to movement in raw material prices. Demand dynamics of the industry to an extent are also affected by the price differentials among edible oil variety such as palm oil, sunflower oil, ground nut oil and cotton seed oil among others apart from price differential between the domestic soyabean seed prices and international prices. However, with increase in brand awareness, health consciousness and penetration of organised retail, size of the branded edible oil industry is likely to increase, which would provide more pricing power to the organised branded players.

Liquidity: Adequate

VIL had adequate liquidity marked by no repayment obligation as the term loan was repaid in April 2025, positive cash flow from operations and moderate working capital utilisation. Its liquidity is also supported by free cash and bank balance (including liquid investment) of ₹55.83 crore as on September 30, 2025. VIL registered positive cash flow from operation of ₹86.75 crore in FY25 compared to ₹36.09 in FY24 considering recovery in receivables and reduced inventory levels. The operating cycle remained moderate at 83 days in FY25 (FY24: 83 days), majorly considering inventory holding period of ~64 days (FY24: 63 days).

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast-moving consumer goods	Fast-moving consumer goods	Agricultural food & other products	Edible oil

Established in 1973 as Vippy Solvex Private Limited, VIL (CIN: U15142MP1973PLC001225) is a manufacturer and exporter of nongenetically modified (non-GMO) soya products. VIL is engaged in extracting soya oil from soya seeds, refining crude soya oil and manufacturing value-added soya-based products. VIL's main products include refined soya oil, soya DOC, soya flakes, soya grits, soya floor, textured soya protein and soya lecithin which have application in food, feed, pharmaceutical and other industrial applications. VIL's manufacturing plant is at Dewas, Madhya Pradesh (MP), with a solvent extraction capacity of 4,12,500 metric tonne per annum (MTPA) and oil refining capacity of 1,02,500 MTPA as on September 30, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26(UA)
Total operating income	1979.48	1860.09	928.85
PBILD	18.48	23.12	13.07
PAT	5.20	8.48	4.55
Overall gearing (times)	0.65	0.64	0.40
Interest coverage (times)	1.28	1.72	1.75

A: Audited; P: Provisional; Note: these are latest available financial results

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	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	April 2025	0.00	Withdrawn
Fund-based - LT/ ST-Working Capital Limits		-	-	-	180.00	CARE BBB+; Stable / CARE A2
Non-fund-based - ST-Letter of credit		-	-	-	20.00	CARE A2

Annexure-2: Rating history for last three year

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-Working Capital Limits	LT/ST	180.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (03-Dec-24)	1)CARE BBB+; Stable / CARE A2 (06-Dec-23) 2)CARE BBB+; Stable / CARE A2 (07-Nov-23)	1)CARE A-; Negative / CARE A2+ (15-Mar-23) 2)CARE A-; Negative / CARE A2+ (06-Mar-23)
2	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BBB+; Stable (03-Dec-24)	1)CARE BBB+; Stable (06-Dec-23) 2)CARE BBB+; Stable (07-Nov-23)	1)CARE A-; Negative (15-Mar-23) 2)CARE A-; Negative (06-Mar-23)
3	Non-fund-based - ST-Letter of credit	ST	20.00	CARE A2	-	1)CARE A2 (03-Dec-24)	1)CARE A2 (06-Dec-23) 2)CARE A2 (07-Nov-23)	1)CARE A2+ (15-Mar-23)

LT/ST: Long term/Short term; LT: Long term; ST: 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 instrument	Complexity level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Working Capital Limits	Simple
3	Non-fund-based - ST-Letter of credit	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 for clarifications.

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