

## Vijay Latex Products Private Limited

| Instrument                                   | Amount          | Rating Action      |
|--|-----------------|--------------------|
| Long Term Fund Based – Demand cash credit    | Rs. 09.50 crore | [ICRA]D reaffirmed |
| Long Term Fund Based – Term Loans            | Rs. 02.43 crore | [ICRA]D reaffirmed |
| Short Term Non Fund Based – Letter of Credit | Rs. 02.00 crore | [ICRA]D reaffirmed |
| Short Term Non Fund Based – Bank Guarantee   | Rs. 01.00 crore | [ICRA]D reaffirmed |
| Unallocated Amount                           | Rs. 05.07 crore | [ICRA]D reaffirmed |

ICRA has reaffirmed the rating assigned to the Rs. 20 crore line of credit of Vijay Latex Products Private Limited (VLPPL or the company) at [ICRA]D (pronounced ICRA D).

The rating reaffirmation factors in VLPPL's continuing delays in debt servicing reflecting highly stressed liquidity position due to delays in realizing receivables. The ratings are further constrained by VLPPL's small scale of operations, weak financial profile characterized by losses incurred by the company during the last two years and weak debt coverage indicators. The rating also takes into account the highly fragmented and competitive nature of the industry and vulnerability of operations to volatility in prices and availability of the principal raw material (natural rubber latex).

The rating however favorably factors in the long experience of the promoters in the rubber glove manufacturing industry.

### About the Company

Incorporated in 1992 by Mr. Jitendra Salot, Vijay Technologies (I) Private Limited (VTIPL) was dormant till FY 2007 and commenced commercial operations from FY 2009 as a manufacturer of rubber gloves. VTIPL then acquired its parent company which was engaged in the same line of business effective from April 2010. The company then changed its name to Vijay Latex Products Private Limited in June, 2013. The company has its factory located in Umbergaon, Gujarat and has its head office in Andheri, Mumbai. Its group company – Vijay Sabre Safety Private Limited is engaged in manufacture and trading of fire and safety equipments (rated [ICRA]C and [ICRA]A4 by ICRA).

### Recent Results

VLPPL recorded a net loss of Rs. 1.36 crore on operating income of Rs. 17.04 crore for the year ending March 31, 2015.

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