

June 13, 2017

Vijay Solvex Limited

Summary of rated instruments

Instrument*	Rated Amount (in Rs. crore)	Rating Action
Fund-based – Cash Credit	55.0	[ICRA]BB+ (Stable); Withdrawn
Short-term Fund-based – Term Loan	10.0	[ICRA]A4+; Withdrawn
Non-fund based – Letter of Credit	35.0	[ICRA]A4+; Withdrawn
Unallocated	20.0	[ICRA]BB+ (Stable)/A4+; Withdrawn
Total	120.0	

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term rating outstanding of [ICRA]BB+ (pronounced ICRA double B plus)¹ with a ‘Stable’ outlook, on the Rs. 55 crore² fund-based bank facilities and the Rs. 20 crore unallocated limits of Vijay Solvex Limited (VSL). It has also withdrawn the short-term rating outstanding of [ICRA]A4+ (pronounced A four plus) on the Rs. 10 crore short-term loan facility and the Rs. 35 crore letter of credit facility of the company.

Rationale

The long-term rating and short-term rating assigned to Vijay Solvex Limited have been withdrawn at the request of the company, based on the no objection certificate provided by its bankers.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below:

Links to applicable criteria:

[Corporate Credit Ratings: A Note on Methodology](#)

[Rating Methodology for Edible Oil \(Solvent Extraction\) Industry](#)

About the company:

VSL, the Alwar-based flagship company of the Data Group’s edible oil division, was set up in 1988 by Mr. Niranjan Lal Data and his family. The company is engaged in the manufacturing and marketing of mustard oil, *vanaspati ghee* and refined soybean/mustard oil. The group operates seven edible oil manufacturing facilities with a total manufacturing capacity of 2,000 TPD. The group runs mustard oil extraction and *vanaspati* manufacturing units in Rajasthan and Bihar and its products are marketed under the brands, ‘Scooter’, ‘Neeraj’, and ‘Hanuman’. VSL is well diversified into bone china crockeries, ceramic gift items, high tension porcelain insulators and wind power, along with edible oils.

¹ For complete rating scale and definitions, please refer to ICRA’s website www.icra.in or other ICRA Rating Publications

² 100 lakh = 1 crore = 10 million

In FY2017, the company reported a net profit of Rs. 8.2 crore on an operating income of Rs. 637.4 crore, as against a net profit of Rs. 5.4 crore on an operating income of Rs. 662.8 crore in the previous year.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years:

Table:

S. No	Instrument	Current Rating (FY2018)			Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Date & Rating	Date & Rating in FY2016	Date & Rating in FY2015	Date & Rating in FY2014
				June 2017	Mar 2016	Jan 2015	Sep 2013
1	Cash Credit	Long Term	55.0	[ICRA]BB+ (stable); withdrawn	[ICRA]BB+ (stable)	[ICRA]BB+ (stable)	[ICRA]BB+ (stable)
2	Short Term Loan	Short Term	10.0	[ICRA]A4+ ; withdrawn	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
3	Letter of Credit	Short Term	35.0	[ICRA]A4+ ; Withdrawn	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
4	Unallocated *	Long Term/ Short term	20.0	[ICRA]BB+ (stable)/A4+; Withdrawn	[ICRA]BB+ (stable)/A4+	[ICRA]BB+ (stable)/ A4+	[ICRA]BB+ (stable)/A4+

*Unallocated limits are rated on both long and short term scales

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Instrument Details

Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Cash Credit	-	-	-	55.0	[ICRA]BB+ (stable) ; withdrawn
Term Loan	-	-	-	10.0	[ICRA]A4+ ; withdrawn
Letter of Credit	-	-	-	35.0	[ICRA]A4+ ; withdrawn
Unallocated	-	-	-	20.0	[ICRA]BB+ (stable)/A4+ ; withdrawn

Source: Vijay Solvex Limited

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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