



Press Release

Vikas Lifecare Limited

September 29, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term/Short Term Bank Facilities*	4.50	IVR BB (RWNI) and withdrawn/IVR A4+ (RWNI) and withdrawn	IVR BB (RWNI)/IVR A4+ (RWNI)	Reaffirmed and withdrawn	Simple
Total	4.50	(Rs. Four Crore and Fifty Lakh only)			

* This was the proposed facility.

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed the long-term/short-term rating to IVR BB (Rating Watch with Negative Implications)/ IVR A4+ (Rating Watch with Negative Implications) and has simultaneously withdrawn the ratings assigned to bank loan facilities of Vikas Lifecare Limited (VLL) with immediate effect. The above action has been taken at the request of Vikas Lifecare Limited (VLL). The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

The rating has been reaffirmed, taking into consideration the experienced promoters and long track record of operations coupled with diversified nature of business. However, these rating strengths are partially offset by moderation in financial risk profile of the company and also on account of reporting of net losses in FY25. The rating also factors in the intense competition and inherent risk of the industry.

At the time of rating withdrawal, the rating is continued under Rating Watch with Negative Implications on account of ambiguity regarding receipt of funds from Eraaya Lifespaces, which were invested for acquisition of Ebix Inc. as the company is also sceptical about the results of the same because case is still under litigation and no further proceedings have been initiated.

Infomerics Ratings has principally relied on the standalone audited financial results of VLL up to 31 March 2025 (refers to period April 1st, 2024, to March 31st, 2025) and projected financials for FY2026 (refers to period April 1st, 2025, to March 31st, 2026) - FY2028 (refers



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to period April 1st, 2027, to March 31st, 2028), and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities: Nil

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters and long track record of operations**

The company has an experienced management team with decades of experience in the same line of business. Managing director of the company Mr. Sundeep Kumar Dhawan, has more than 2 decades of experience in the line of agro trading business and he is supported by a team of well qualified professionals.

- **Foray into new edge business and broad basing its product portfolio**

The company had forayed into the Agro Products segment /Consumer segment and has been empanelled with National Agricultural Cooperative Marketing Federation of India Limited (NAFED), Ministry of Agriculture, Government of India for expanding its Agro Products business. As of January 13th, 2022, the company has entered into definite agreement with the existing promoters/shareholders for acquiring 75% equity of Genesis Gas Solutions Private Limited (the 'Genesis'), a company engaged in the business developing "Smart Products" including Smart Gas Meters & Power Distribution solutions for the ever-expanding infrastructure in India. The company has also diversified into trading of infra products including TMT bars and HDPE pipes. VLL further entered into the business of drinking water distribution systems via manufacturing food grade piping systems for drinking water and distribution of pharmaceuticals.

Key Rating Weaknesses

- **Losses registered during the year**

Although the TOI of the company increased by 11.24% and stood at Rs. 463.57 Cr. in FY25 as against Rs. 416.72 Cr. in FY24, the company reported operational losses of Rs. 19.45 Cr. in FY25 as compared to operational profit Rs. 2.64 Cr. in FY24. In line with operational losses, the company also reported net losses of Rs. 2.26 Cr. in FY25 as against net profit of Rs. 19.33 Cr. in FY24. The GCA of the company stood negative at Rs. 0.81 Cr. in FY25 compared to Rs. 24.06 Cr. in FY24 on account of net losses registered during FY25.



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- **Moderation in financial risk profile**

The capital structure of the company stood moderate marked by overall gearing at 0.10x as on March 31st, 2025, which stood at 0.06x as on March 31st, 2024. Further, the indebtedness of the company marked by TOL/ATNW also stood moderate at 0.34x as on March 31st, 2025, which moderated from 0.15x as on March 31st, 2024, on account of significant increase in creditors. The debt protection metrics of the company also stood moderate marked by Interest coverage ratio at negative of 4.98x in FY25, which deteriorated from 1.11x in FY24 on account of net losses registered during the year. Further, DSCR (Debt service coverage ratio) stood moderate at 0.52x in FY25, compared to 8.04x in FY24.

- **Intense competition and inherent risk of the industry**

The agro trading and processing industry is highly fragmented and is marked by the presence of a large number of large players and small players in the market. This intensifies competition and limits the pricing flexibility of the industry participants resulting in low profitability. The company is also exposed to risk associated with the fluctuation in production levels, uncertain weather conditions and limited shelf life of the products.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Rating Methodology for Trading Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Guidelines on what constitutes non-cooperation by clients](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Policy on withdrawal of ratings](#)



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Liquidity – Stretched

The company's liquidity is stretched marked by negative GCA of Rs. 0.81 Cr. during FY25 as against Rs. 24.06 Cr. during FY24. The unencumbered cash and bank balance stood at Rs. 5.29 crore as on March 31, 2025. The company has a current ratio of 2.43x as on March 31, 2025, compared to 6.88x as on March 31, 2024. The working capital cycle of the company stood comfortable at 83 days in FY25 which was 112 days in FY24.

About the Company

Vikas Lifecare Limited (VLL), established in 1995, is a New Delhi-based company engaged in manufacturing and trading of polymers, rubber compounds, and additives. VLL acts as a DelCredere agent for ONGC Petro Additions Ltd. In recent years, VLL has diversified into consumer goods, agriculture (cashew processing in Karnataka), smart gas meters (via 75% stake in Genesis Gas Solutions), drinking water systems, and pharmaceutical distribution. Formerly part of Vikas Group with Vikas Ecotech Ltd., the companies split in FY21.

Financials (Standalone):

	(Rs. crore)	
For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	416.72	463.57
EBITDA	2.64	-19.44
PAT	19.33	-2.26
Total Debt	23.14	43.96
Adjusted Tangible Net Worth	373.55	491.66
EBITDA Margin (%)	0.63	-4.19
PAT Margin (%)	4.37	-0.46
Overall Gearing Ratio (x)	0.06	0.09
Interest Coverage (x)	1.11	-4.98

Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Rating (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Current Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Long Term/Short Term Bank Facilities	Long Term/Short Term	4.50	(September 25, 2025) IVR BB (RWNI) and withdrawn/IVR A4+ (RWNI) and withdrawn (July 23, 2025) IVR BB(RWNI)/IVR A4+ (RWNI)	(February 03, 2025) IVR BB(Stable)/IVR A4+ (August 05, 2024) IVR BB(RWDI)/IVR A4+(RWDI)	(February 22, 2024) IVR BB(Stable)/IVR A4+ (December 15, 2023) IVR BB(Negative); INC/IVR A4; INC (October 13, 2023) IVR BB+(RWNI)/IVR A4+(RWNI)	(February 06, 2023) IVR BB+(RWDI)/IVR A4+(RWDI) (October 10, 2022) IVR BB+(Stable)/IVR A4+

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Proposed	-	-	-	-	4.50	IVR BB(RWNI) and withdrawn /IVR A4+(RWNI) and withdrawn

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-vikas-lifecare-sep25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.