



April 12, 2023

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051

Stock Code: VAISHALI

SUB: Credit Rating Certificate

Dear Sir /Madam,

Pursuant to Regulation 30 (4) Schedule III Part –A of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Credit Rating certificate from CRISIL Limited.

Kindly take the above on records.

Thanking you.

Yours faithfully
For Vaishali Pharma Limited

Vishwa Mekhia
Company Secretary & Compliance Officer

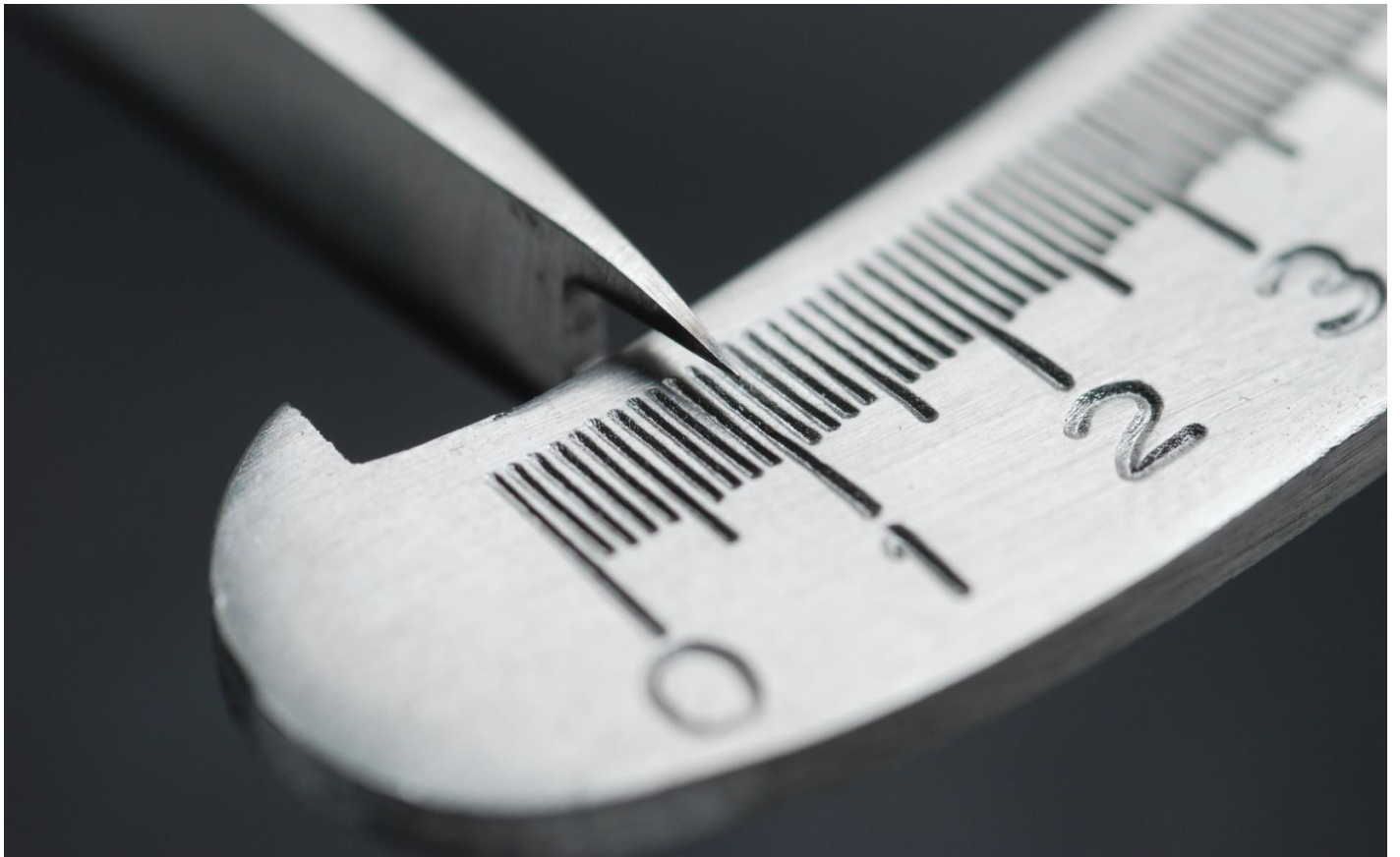
Vaishali Limited

Pharma

**CRISIL Grading: CRISIL SME 3
'Good'**

Indicates the level of creditworthiness in relation to other SMEs

Report Date: March 28, 2023 / Valid Till: March 26, 2024



Terms and conditions

This Report is based on data publicly available or from sources considered reliable. CRISIL Research does not represent that the Report is accurate or complete and hence, it should not be relied upon as such. Opinions expressed herein are our current opinions as on the date of this report. Nothing in this report constitutes investment, legal, accounting or tax advice or any solicitation, whatsoever. The subscriber/ user assumes the entire risk of any use made of this data/ report. CRISIL especially states that, it has no financial liability whatsoever, to the subscribers/ users of this report.

This Report is additionally subject to your contractual terms with CRISIL.

The report is for use within the jurisdiction of India only. Nothing in this report is to be construed as CRISIL providing, or intending to provide, any services in other jurisdictions where CRISIL does not have the necessary permissions and/ or registration to carry out its business activities. The user will be solely responsible for ensuring compliance for use of the report, or part thereof, outside India.

CRISIL Limited operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research, and not of CRISIL Ratings Limited.

Index

CRISIL SME Grading	2
Grading history	2
Key Grading drivers	0
Business and management.....	3
Financial	4
Fact sheet	5
Business profile	7
Business description	7
Product profile	8
Customer profile and demand-side analysis.....	8
Supplier profile and supply-side analysis	9
Trading facilities	9
Photographs of the facility:.....	10
Ownership and management	11
Directors' profile	11
Key management personnel	12
Organisational structure, controls and systems	13
Ownership pattern.....	14
Group companies and firms	14
Financial profile	15
Current financial performance.....	15
Past financial performance.....	16
Profit and loss account	16
Balance sheet	17
Key financial ratios.....	18
Fund flow statement	19
Graphs	20
Banking facilities	21
Site visit	22

CRISIL SME Grading

SME 3 indicates 'Good' creditworthiness in relation to other SMEs	CRISIL SME Grading	Definition
	SME 1	Highest
	SME 2	High
	SME 3	Good
	SME 4	Above Average
	SME 5	Average
	SME 6	Below Average
	SME 7	Weak
	SME 8	Poor

Grading history

Grading	Assigned on	Valid till	Grading acceptance	Type
MSE 3	27-Dec-21	26-Dec-22	Grading accepted	Renewal
MSE 4	15-Jan-19	14-Jan-20		
MSE 6	10-Mar-17	9-Mar-18		
SE 2C	10-Mar-16	9-Mar-17		
SE 2C	10-Mar-15	9-Mar-16		
SE 2B	16-Dec-13	15-Dec-14		
SE 2C	24-Dec-12	23-Dec-13	Grading not accepted	New
SE 2C	28-Jan-12	26-Jan-13	Grading accepted	

Key Grading drivers

Business and management

Strengths

- **Organisational stability and promoters' extensive experience:**
 - The company has been operational for 34 years in the same line of business, which lends stability to its business risk profile. The promoters also hold more than 3 decades of relevant experience in the industry.
 - The extensive industry experience of the promoters has helped the company to gain repeat orders from its customers. A healthy track record and long-standing customer relationships have also helped it consistently tackle customer concentration risks and improve its product diversity
- **Well-defined organisational structure:** The company has well defined organisation structure supported by qualified and experienced second-tier management that has decision-making powers. The company is expected to benefit from the management's ability to ensure smooth flow of operations.
- **Certification:** An ISO 9001:2015 certification (valid till 10th July 2023) and Star Export House certificate from the Government of India ensure adherence to high quality standards and support from regulatory authorities, enhancing the organisation's brand value and demand prospects.
- **Healthy growth:** The firm has shown a healthy growth in revenues by registering a year-on-year growth of 10.67% in fiscal 2022.
- **Strong marketing network:** A marketing team of 7 executives for domestic markets and 8 executives for export markets enables the company to source regular orders from customers.
- **Wide customer base:** The company caters to more than 300 direct customers across India and has around 50 registered distributors spread across Kenya, Tanzania, Russia, Tajikistan, Costa Rica, Nicaragua, Kazakhstan, Uzbekistan, Zimbabwe, Utopia, Ghana, Turkey, Vietnam, Sri Lanka, Jordan, Myanmar, Zambia, Brazil, and Madagascar.
- **Industry outlook:** As per CRISIL Research, Bulk drug exports reported flat growth in FY22 over a high base in FY21. India being the low-cost provider of quality APIs stands to gain a competitive edge under the current scenario. India's core strengths of low-cost manufacturing, well developed process chemistry skills, abundant supply of low-cost skilled manpower and the highest number of US FDA-approved plants (outside the US) will continue to render India as a preferred outsourcing destination. Accordingly, bulk drug exports are expected to grow by 7-9% CAGR from FY22 to FY25. Domestic bulk drug manufacturers are expected to continue to register double-digit growth supported by strong domestic sales.
- **Adequate profitability:** The company registered an adequate operating profit before depreciation, interest, and tax (OPBDIT) margin of 11.10 per cent and profit after tax (PAT) margin of 5.22 per cent as of fiscal 2022.

Risk factors

- **Competitive industry:** Competition from China has increased in the recent years as Chinese players enhance their capabilities in the bulk drug space and

significantly lower production costs compared to peers. Increased imports of cheap bulk drugs from China increased the dependency of players on China. We believe that Indian players focused on supplying bulk drugs for the manufacture of patented drugs will largely remain shielded.

- **Factors that may constrain margin in the future:**
 - Volatility in the price of traded goods
 - Intense competition from established players and new entrants.

Financial

Strengths

- **Financial flexibility:** Financial flexibility of the company is supported by tangible net worth of Rs 2,558.50 lakh, investments in equity shares and deposits with bank of Rs 120.70 lakh, net cash accruals of Rs 448.00 lakh and cash and bank balance of Rs 116.23 lakh in fiscal 2022.
- **Low reliance on external debt:** The company has low reliance on external debt, which is reflected in debt-equity ratio of 0.81 time and total outside liabilities/tangible net worth of 2.15 time as of fiscal 2022. This has protected its profitability from being eroded by interest pay-outs.
- **Adequate return on capital employed (RoCE):** The company registered an adequate RoCE of 19.10% in fiscal 2022. Thus, the company efficiently utilizes its resources to generate profits.

Risk factors

- **Moderate Liquidity:** This was reflected in the company's cash/total outside liabilities of 3.52% as of fiscal 2022, which suggests its ability to meet short-term debt obligations remains to be seen.
- **High GCA:** The company's gross current assets days are high at around 355 days as of fiscal 2022, indicating time required to convert receivables to collection period. The management's ability to quickly convert its current assets into cash and managing the working capital intensity remains to be seen.
- **Moderate credit protection measures:** This is reflected in the organisation's:
- Net cash accruals to total debt of 21.58 per cent and PBDIT interest cover of 3.53 times as on March 31, 2022.

Fact sheet

Name of the company	Vaishali Pharma Limited
Year of establishment	1989
Legal status	Public limited company
Legal history	<p>1989: The firm was established as a proprietorship firm by Atul Vasani under the name of Vaishali Pharma</p> <p>2008: It was reconstituted as a private limited company with Atul Vasani as the managing director and Jagruti Vasani (wife of Atul Vasani) as the director.</p> <p>2012: The company commenced manufacturing of pharmaceutical formulations.</p> <p>2017: The company filed an Initial Public Offering in August 2017 and got listed on the NSE Emerge platform for a price band of Rs 71.00 to 72.00 per share.</p> <p>There has been no change in the name, constitution, management or business since then</p>
Registered with	Registrar of Companies, Maharashtra
SSI registration number	27222200837
Udhyog aadhaar no	Not applicable
Udyam registration no.	MH190066666
CIN No.	L52310MH2008PLC181632
PAN No.	AACCV7258G
TAN No.	MUMV15991D
Managing director	Mr. Atul Vasani
Category of entrepreneur	General
Listed at	National Stock Exchange Emerge (NSE – Emerge)
Share price movements	<p>Share price as on – March 20, 2023</p> <p>Share price: Rs 148.00</p> <p>52-week High: Rs 153.00</p> <p>52-week Low: Rs 146.40</p> <p>Source: www.nseindia.com/emerge</p>
Registered office	<p>706 -709, 7th Floor Aravali Business Centre R C Patel Road - Off Sodawala Lane Borivali (West) Mumbai – 400 092, Maharashtra</p> <p>Tel: +91 22 42171819 Fax: +91 22 2892 8833 Email: finance@vaishalipharma.com Website: www.vaishalipharma.com</p>
Trading facility	Gala No. 1, Ground Floor, B-Building Munisuvrat Compound, Phase-I, Anjur Phata, Rahanal Village, Bhiwandi – 421302.
Number of employees	Permanent: 35 Contractual: 5

	<p>Total: 40 There has been no change in the number of employees since the last Grading exercise</p>
<p>Certifications and awards</p>	<p>ISO 9001:2015 (valid till 10th July 2023) Star Export House Certification</p>
<p>Brands</p>	<p>The company has around 220 brands, including:</p> <ul style="list-style-type: none"> • Tablets: Siplosin, Zynosi, Vebenda, Cellergy, Kilache, Seedios, Combicough, Albenwell Plus, Vflunox, Wellopin • Capsules: Vpamox, Fluosan, Versolic • Veterinary: Nimoflin, Anifost, Anizest, Lefcol, Kilatox, Enabril • Liquid/injection: Vceftri, 3G Cefa, Vmox CV, Cybufin • Surgical: Iveny and Vensor • Nutraceuticals: Vipravita - C, Vipramulitvita, Vsafetize
<p>Statutory compliance</p>	<ul style="list-style-type: none"> • Income tax filing: Regular and timely • Excise duty filing (till June 30, 2017): Regular and timely • Sales/Service tax filing (till June 30, 2017): Regular and timely • GST filing (from July 1, 2017): Regular and timely • Wealth tax filing: Not applicable • ESIC and EPF dues: Regular and timely <p><i>(As provided by management, not independently verified)</i></p>

Business profile

Business description

Nature of business	:	Trading and manufacturing
Industry	:	Pharmaceuticals - Bulk Drugs
Industry prospects	:	Strong
Business description	:	<p>Business</p> <ul style="list-style-type: none"> The company continues to do the same business since the last Grading exercise. The company trades in pharmaceutical raw materials and bulk drugs (forms 70.00% of the total revenue) and manufactures pharmaceutical formulations for the export market (forms 30.00% of the total revenue). <p>Trading business</p> <ul style="list-style-type: none"> The company trades in pharmaceutical raw materials, intermediates, active pharmaceutical ingredients, herbal, veterinary, neutraceutical, and oncology products. It is an authorised agent and stockist for around 35 bulk drug manufacturers across India. On an average, the company maintains gross margin of 5.00% on the traded goods and around 10.00%-15.00% of gross margin on an overall business. The company has a warehouse facility in Bhiwandi, Maharashtra with a storage capacity of around 100 tonnes of traded goods. <p>Manufacturing business</p> <ul style="list-style-type: none"> The company also manufactures pharmaceutical formulations to cater to export markets. The company does not have in-house manufacturing facility and gets the formulations manufactured through contract manufacturing from other companies. <p>Inventory holding period</p> <ul style="list-style-type: none"> On an average, the company maintains 30 days of traded goods in the inventory. <p>Shifts</p> <ul style="list-style-type: none"> The company operates in a single shift of 8 hours.
	:	
End-user industries	:	Pharmaceutical and healthcare
Experience in the business	:	34 years
Product range	:	Diversified
Degree of competition	:	High; entry barriers are low
Plans	:	The company does not have any expansion or diversification plans for the near future.
Customer profile	:	Direct and Institutional customers
Installed capacity/facility	:	
Utilised capacity	:	Not applicable

Product profile

Product profile	Share in net sales (%)
Trading of pharmaceutical raw materials	70.00
Manufacturing and exporting pharmaceutical formulations	30.00
Total	100.00

Customer profile and demand-side analysis

Customer name	Address	Product	Length of relationship	% share in sales
Kesar Pharma Pvt. Ltd.	Gujarat	RM, API, Excipients	9 years	Varies Annually
Relax Biotech Pvt. Ltd.			11 years	
JFL Life Sciences Pvt. Ltd.	Maharashtra		3 years	
Fredun Pharmaceuticals Ltd. (Rated 'CRISIL BBB-/Stable/CRISIL A3')			13 Years	
Cadila Pharmaceuticals Ltd.	Gujarat			

Notes:

- The company caters to more than 300 customers across India.
- The company caters to around 50 distributors spread across Kenya, Tanzania, Russia, Tajikistan, Costa Rica, Nicaragua, Kazakhstan, Uzbekistan Zimbabwe, Utopia, Ghana, Turkey, Vietnam, Sri Lanka, Jordan, Myanmar, Zambia, Brazil, and Madagascar.
- Each customer accounts for less than 25.00% of the total sales.

Terms of credit	:	Domestic – Credit up to 90 days and letter of credit. Export – 100.00% advance payments.
Process of getting orders	:	Regular orders from customers
Exports	:	<ul style="list-style-type: none"> • 40.00% of the total sales are exported to around 30 countries • The transactions are invoiced in USD and Euros.
Marketing network	:	<ul style="list-style-type: none"> • The company has a dedicated marketing team (7 members for domestic markets and 8 members for export markets). • Established relations, client referrals, and word-of-mouth publicity help the company to source repeat orders. • The company also participates in exhibitions and fairs. • It responds to queries via its website www.vaishalipharma.com.
Geographical reach	:	Spread across more than one state and exports to around 30 countries

Supplier profile and supply-side analysis


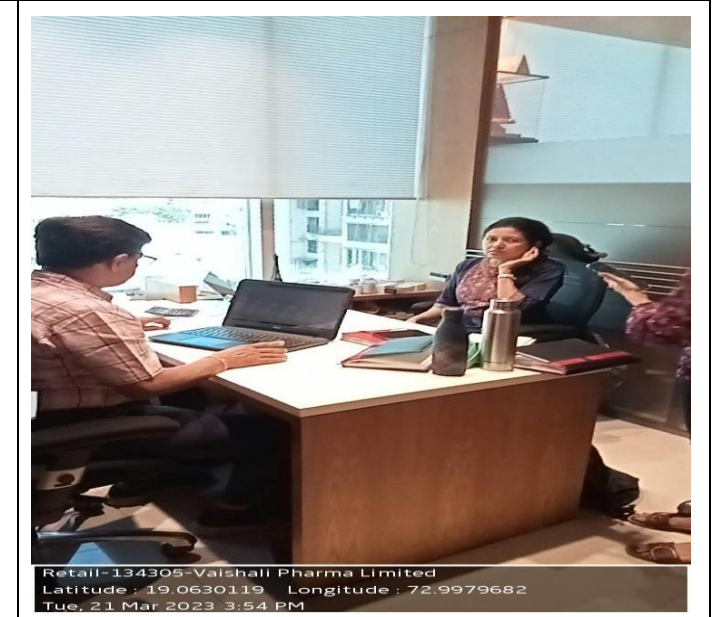
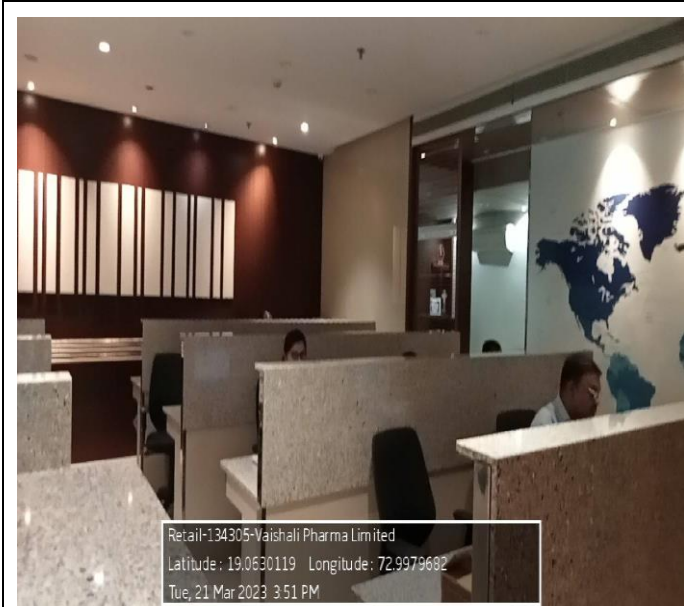
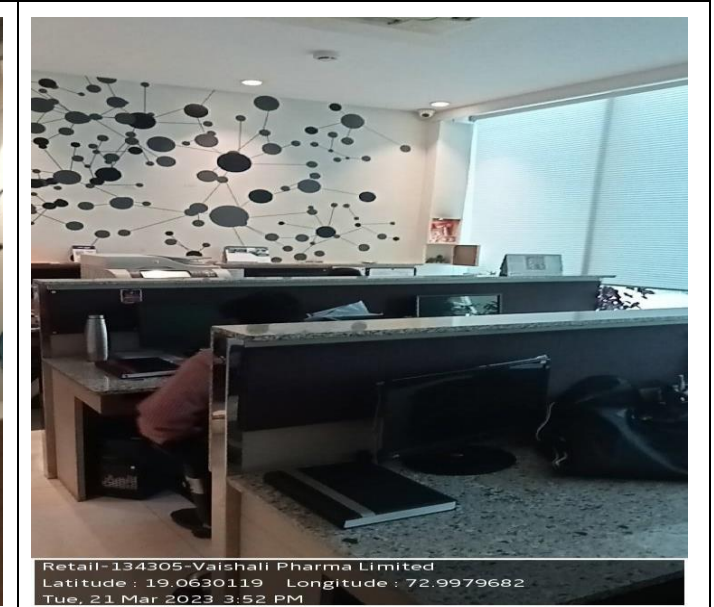
Supplier's / Wholesaler's name	Address	Product	Length of relationship
Godavari Drugs Ltd.	Maharashtra	Raw material, API	7 Years
NGL Fine Chem Ltd. (Rated 'CRISIL BBB+/Positive/ CRISIL A2')			8 Years
Meghmani LLP			9 Years
Otsuka Pharmaceutical India Pvt. Ltd.	Gujarat	Formulations	5 Years
Kopran Ltd. (Rated "CRISIL BBB+/Stable/CRISIL A2')	Maharashtra		2 Years
M.J. Bio Pharm Pvt. Ltd.			4 Years

Terms of purchase	:	Credit up to 90 days
Traded goods availability	:	Ample
Traded goods price volatility	:	High
Ability to pass traded goods price increase	:	Yes
Imports	:	Nil

Trading facilities


Employee oriented operations	:	Yes
Labour union	:	No
Labour relationships	:	Cordial
CNC machines, CAD, CAM, automation	:	Yes
In-house R&D, designing facilities	:	Yes
Degree of mechanisation	:	High
Availability of critical machinery and entry barriers to technology and processes used	:	Yes
Facility layout	:	Spacious and well organised

Photographs of the facility:

 <p>Retail-134305-Vaishali Pharma Limited Latitude : 19.0630119 Longitude : 72.9979682 Tue, 21 Mar 2023 3:53 PM</p>	 <p>Retail-134305-Vaishali Pharma Limited Latitude : 19.0630119 Longitude : 72.9979682 Tue, 21 Mar 2023 3:54 PM</p>
<p>Name Plate of the Office</p>	<p>View of the Office</p>
 <p>Retail-134305-Vaishali Pharma Limited Latitude : 19.0630119 Longitude : 72.9979682 Tue, 21 Mar 2023 3:51 PM</p>	 <p>Retail-134305-Vaishali Pharma Limited Latitude : 19.0630119 Longitude : 72.9979682 Tue, 21 Mar 2023 3:52 PM</p>
<p>View of the Office</p>	<p>View of the Office</p>

Ownership and management

Directors' profile

	Director's name	:	Atul Vasani
	Age	:	58 years
	Qualification	:	BCom
	Designation / responsibilities	:	Managing director/Overall management
	Promoters' experience in current business	:	34 years through the graded company
	Experience in the same line of business (including current experience)	:	
	Personal net worth	:	Data not provided to CRISIL
	Director's address	:	128-A, Ganjawala Apartment S. V. P. Road, Borivali (W) Mumbai - 400 092, Maharashtra
	Telephone no.	:	+91 9769 038 889
	Ownership of residence	:	Owned
Vehicles used	:	MG Hector Plus	

	Director's name	:	Jagruti Vasani
	Age	:	54 years
	Qualification	:	BCom
	Designation / responsibilities	:	Director / Overall management
	Promoters' experience in current business	:	15 years through the graded company
	Experience in the same line of business (including current experience)	:	
	Personal net worth	:	Data not provided to CRISIL
	Director's address	:	128-A, Ganjawala Apartment S. V. P. Road, Borivali (W) Mumbai - 400 092, Maharashtra
	Telephone no.	:	+91 9167 733 612

Director's name	:	Dewansh Vasani
Age	:	26 years
Qualification	:	Bachelor's In Accounting & Finance
Designation / responsibilities	:	Marketing
Promoters' experience in current business	:	8 years through the graded company
Experience in the same line of business (including current experience)	:	
Personal net worth	:	NA
Director's address	:	128-A, Ganjawala Apartment S. V. P. Road, Borivali (W) Mumbai - 400 092, Maharashtra
Telephone no.	:	+91 887 996 1882
Ownership of residence	:	Owned
Vehicles used	:	Maruti, Vitara Brezza

Key management personnel

Name	:	Ratnesh Singh
Age	:	43 years
Qualification	:	Graduate
Designation / responsibilities	:	Chief financial officer/ Finance and accounts
Relevant experience	:	22 years in the same line of business (2 years through the graded company)
Address	:	706-709, 7th Floor Aravali Business Centre R C Patel Road, Maharashtra, Off Sodawala Lane Borivali (West) Mumbai – 400 092, Maharashtra
Telephone no.	:	+91 9833 543 670

Name	:	Priyanka Vasani
Age	:	30 years
Qualification	:	Graduate in Bachelor of Management Studies and, Postgraduate in Business Management specialisation in International Business.
Designation / responsibilities	:	Chief Operating Officer
Relevant experience	:	9 years through the graded company
Address	:	128-A, Ganjawala Apartment S. V. P. Road, Borivali (W) Mumbai - 400 092, Maharashtra
Telephone no.	:	+91 887 996 2010

Name	:	Rumit Gopani
Age	:	32 years
Qualification	:	Bachelor of Computer Application
Designation / responsibilities	:	Business Development Manager
Relevant experience	:	11 years through the graded company
Address	:	706-709, 7th Floor Aravali Business Centre R C Patel Road, Maharashtra, Off Sodawala Lane Borivali (West) Mumbai – 400 092, Maharashtra
Telephone no.	:	+91 913 785 0600

Name	:	Madhuri Mehta
Age	:	40 years
Qualification	:	BSc (Statistics), PG (Operations)
Designation / responsibilities	:	Executive assistant to director
Relevant experience	:	11 years through the graded company
Address	:	706-709, 7th Floor Aravali Business Centre R C Patel Road, Maharashtra, Off Sodawala Lane Borivali (West) Mumbai – 400 092, Maharashtra
Telephone no.	:	+91 9869 980 088

Organisational structure, controls and systems

Managing director	:	Atul Vasani
Constitution	:	Public limited company
Second tier management	:	Qualified and experienced
Decision making powers	:	Decentralised
Reporting system or MIS	:	Yes
Type of reporting system	:	Computerised
Frequency of MIS / reporting	:	Daily
Litigations against the SSI	:	None
Litigations against the Director	:	
Severity of litigations	:	Not applicable
Susceptibility to foreign exchange fluctuations	:	Moderate
Hedging against foreign exchange risks	:	The company hedges 50.00% of its total forex exposure by entering into forward rate contracts with Ratnakar Bank Limited
Susceptibility to commodity price fluctuations	:	Not applicable
Hedging against forex risks (for raw material)	:	Not applicable
Hedging against commodity prices	:	
Asset insurance	:	Adequate

Ownership pattern

Shareholding pattern as of:		Fiscal 2022
Name of the shareholder	Relationship with managing director	Share in capital (%)
Atul Vasani	Self	21.45
Jagruti Vasani	Wife	4.55
Others	Public	74.00
	Total	100.00

Group companies and firms

The company has no sister/group firms

Financial profile

Current financial performance

Performance for the period from April 1, 2022 to February 28, 2023		
Net sales	Rs lakh	7,000.00
OPBDIT	Rs lakh	Data not provided to CRISIL
Current order book (likely to be executed by fiscal 2022)	Rs lakh	
Debtors	Rs lakh	
Creditors	Rs lakh	
Capital	Rs lakh	
Total debt	Rs lakh	
Total debt- equity ratio	Times	

Projected / estimated performance during		FY23*
Net sales	Rs. Lakh	8,000.00
PBT	Rs. Lakh	Data not provided to CRISIL
PBT margin	%	

*Notes: Data not provided to CRISIL

Past financial performance

Profit and loss account

For the year ended		FY20	FY21	FY22
		Audited	Audited	Audited
Number of months		12	12	12
Net sales	Rs lakh	5,841.14	5,230.77	7,153.68
Operating income	Rs lakh	6,008.57	5,509.21	7,707.98
Cost of sales	Rs lakh	5,831.96	5,074.24	6,852.22
OPBDIT	Rs lakh	176.61	434.97	855.76
Interest and finance costs	Rs lakh	255.63	261.07	245.88
OPBDT	Rs lakh	(79.02)	173.91	609.88
Depreciation	Rs lakh	43.85	42.69	45.63
OPBT	Rs lakh	(122.87)	131.21	564.25
Non-operating income / (expense)	Rs lakh	130.78	9.24	8.59
PBT	Rs lakh	7.91	140.45	572.84
Extraordinary income / (expense)	Rs lakh	-	-	-
Reported PBT	Rs lakh	7.91	140.45	572.84
Provision for taxes	Rs lakh	5.66	37.88	172.29
Deferred tax liability / (asset)	Rs lakh	(1.03)	(2.06)	(1.82)
PAT	Rs lakh	3.28	104.63	402.36
Dividends	Rs lakh	-	-	-
Net cash accruals	Rs lakh	47.13	147.32	448.00

Notes:

- Net sales increased in fiscal 2022 on account of higher demand of medicines and improvement of situations after covid-19 enabled the company to improve their exports.
- Operating income as of fiscal 2022 comprised of commission income of Rs. 410.04 lakhs, export incentives of Rs. 18.36 lakhs, Miscellaneous income of Rs. 4.73 lakhs, and other financial assets of Rs 121.17 lakhs.
- Interest and finance costs for fiscal 2022 comprised interest on borrowings worth Rs. 241.95 lakh and interest on unwinding of leases liability of Rs. 3.93 lakh.
- Depreciation is charged according to the provisions of the Companies Act, 2013, over all 3 fiscal years.
- Non-operating income for fiscal 2022 comprised dividend income on equity shares of Rs 0.00075 lakh and bank deposits of Rs 8.59 lakh.
- Deferred tax has been provided over the past 3 years (fiscal 2022, fiscal 2021, and fiscal 2020) according to the provisions of the Companies Act, 2013.

Balance sheet

		FY20	FY21	FY22
		Audited	Audited	Audited
Liabilities				
Tangible net worth	Rs lakh	2,098.46	2,212.50	2,558.50
Deferred tax liabilities / (assets)	Rs lakh	(12.43)	(14.80)	(16.07)
Long-term debt	Rs lakh	510.23	595.04	406.85
<i>of which, current portion of long-term debt</i>	<i>Rs lakh</i>	95.94	191.74	96.23
Short-term debt	Rs lakh	1,153.43	1,162.38	1,669.36
<i>of which, working capital borrowing from banks</i>	<i>Rs lakh</i>	1,153.43	1,162.38	1,669.36
Other liabilities and provisions	Rs lakh	2,818.59	4,613.30	3,450.77
Total liabilities	Rs lakh	6,568.28	8,568.42	8,069.41
Assets				
Net fixed assets	Rs lakh	116.83	97.06	90.35
Investments	Rs lakh	161.30	109.86	120.70
Inventory	Rs lakh	88.01	58.82	62.90
Receivables (total)	Rs lakh	4,702.91	6,673.07	5,850.54
<i>of which, receivables greater than six months</i>	<i>Rs lakh</i>	1,484.32	3,377.19	3,472.52
Cash and bank balance	Rs lakh	28.32	31.35	116.23
Other current assets	Rs lakh	1,470.91	1,598.26	1,828.69
Total assets	Rs lakh	6,568.28	8,568.42	8,069.41

Notes:

- Tangible net worth increased in fiscal 2022 on account of improved PAT during the year.
- Long-term debt as of September 2021 comprised of term borrowings of Rs. 382.20 lakh and lease liabilities of Rs. 3.96 lakh.
- Long-term debt as of fiscal 2022 comprised loans of Rs 104.75 lakh availed from L & T Housing Finance Ltd., term loan of Rs 275.92 lakh availed from Janata Sahakari Bank Limited, unsecured loan availed from International Financial Services Limited for Rs 26.18 lakh, and unsecured loans from promoters and family (interest-free) of Rs 547.00 lakh.
- Short-term debt as of fiscal 2022 comprised of cash credit availed from Janata Sahakari Bank Limited.
- Other liabilities and provisions as of fiscal 2022 comprised creditors for goods of Rs. 2,838.07 lakh, advances from customers of Rs. 250.24 lakh, other current liabilities of Rs 338.13 lakh, interest accrued and not due of Rs 1.92 lakh and provisions of Rs 22.40 lakh.
- Fixed assets of gross value Rs 38.92 lakh were added during fiscal 2022. Major fixed assets added includes:
 - Office Equipment
 - Computer Equipments
- Investments as of fiscal 2022 comprised investments in equity shares of Rs 43.15 lakh and deposits with bank of Rs 77.55 lakh.
- Other current assets as of fiscal 2022 comprised loans and advances of Rs 1,821.48 lakh and prepaid expenses of Rs 7.21 lakh.

Key financial ratios

For the year ended / as at		FY20	FY21	FY22
		Audited	Audited	Audited
OPBDIT margin	%	2.94	7.90	11.10
PAT margin	%	0.05	1.90	5.22
Return on capital employed	%	6.99	10.42	19.10
Gross current assets	days	369	536	355
Days inventory (on COP)	days	6	4	3
Days receivable (on gross sales)	days	294	466	299
Days payable (on materials)	days	155	321	163
Current ratio	Times	1.51	1.37	1.47
PBDIT Interest cover	Times	1.20	1.70	3.52
Net cash accruals/Total debt	%	2.83	8.38	21.58
Debt service coverage ratio	Times	0.92	0.91	1.21
Average cost of borrowing	%	15.17	15.26	12.83
Total outside liabilities/Tangible net worth	Times	2.13	2.87	2.15
Gearing - Total debt/Tangible net worth	Times	0.79	0.79	0.81
Gearing (considering promoter loans as neither debt nor equity)	Times	0.79	0.79	0.81
Cash /TOL	%	3.28	1.54	3.52

Notes:

- Operating margin improved in fiscal 2022 mainly on account of decrease in the cost of traded goods purchased and selling expenses as a percentage of operating income.
- Receivable and payables as of fiscal 2022 were stretched (reason awaited).

Fund flow statement

For the year ended		FY21	FY22
Sources of funds			
Net cash accruals	Rs lakh	147.32	448.00
Equity infusion / Share application money	Rs lakh	9.41	-
Long-term debt borrowed (net)	Rs lakh	-	-
Short-term debt borrowed (net)	Rs lakh	104.75	411.47
Decrease in net current assets	Rs lakh	1,664.57	-
Sale of investments / fixed assets	Rs lakh	-	-
Other sources	Rs lakh	5.65	-
Total sources of funds	Rs lakh	1,931.71	859.47
Uses of funds			
Investment and fixed assets purchased	Rs lakh	25.30	40.18
Decrease in tangible net worth	Rs lakh	-	56.36
Long-term debt repaid (net)	Rs lakh	11.00	92.67
Short-term debt repaid (net)	Rs lakh	-	-
Increase in net current assets	Rs lakh	-	561.72
Other uses	Rs lakh	1,895.41	108.54
Total uses of funds	Rs lakh	1,931.71	859.47

Notes:

- Equity infusion/Share application money for fiscal 2021 was mainly on account of decrease in intangible assets.
- Decrease in net current assets as of fiscal 2022 was on account of decline in creditors for goods.
- Other sources in fiscal 2022 refers to an increase in non-current liabilities.
- Decrease in tangible net worth in fiscal 2022 was on account of an increase in intangible assets.
- Increase in net current assets in fiscal 2022 was on account of a decrease in creditors for goods.
- Other sources in fiscal 2022 refers to a decrease in non-current liabilities.
- Other sources in fiscal 201 refers to an increase in receivables.

Contingent liabilities

Contingent liabilities as on fiscal 2022: Nil

Auditors

Raman S Shah and Associates Chartered Accountants
Membership No. 100 976
Plot No. 9, Rajani Kamal Park, Near 70 Gala
Palghar - 401 404, Maharashtra

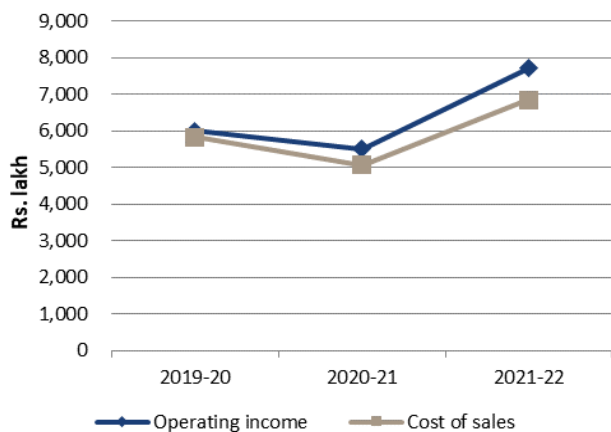
Auditors' comments and observations in their audit report for fiscal 2022, fiscal 2021, and fiscal 2020:

No adverse comments or observations

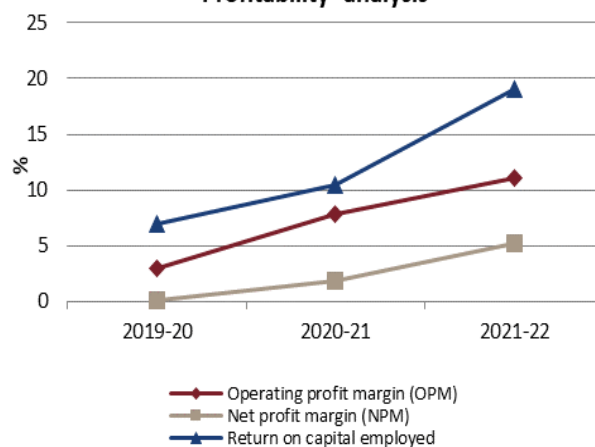
Change in auditors, if any: None

Graphs

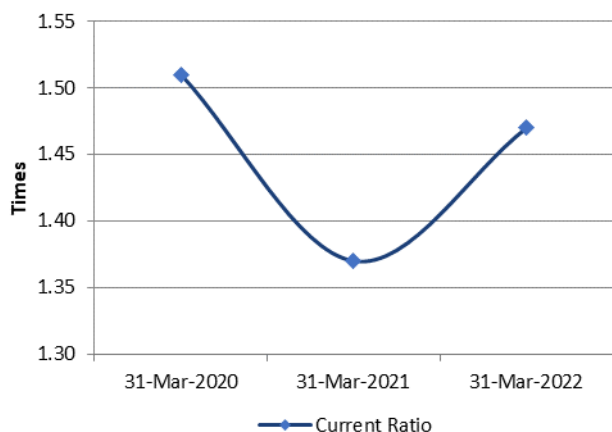
Turnover and cost analysis



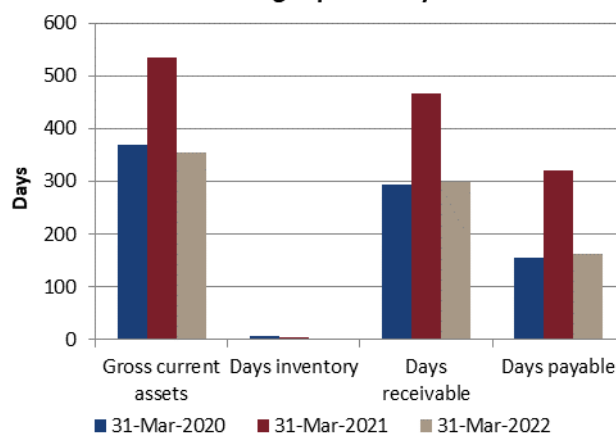
Profitability analysis



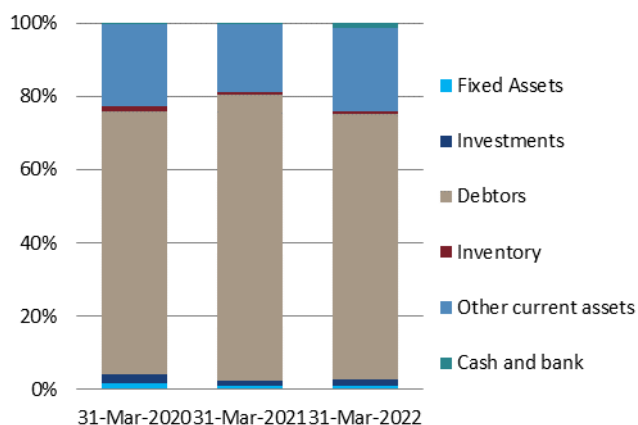
Liquidity analysis



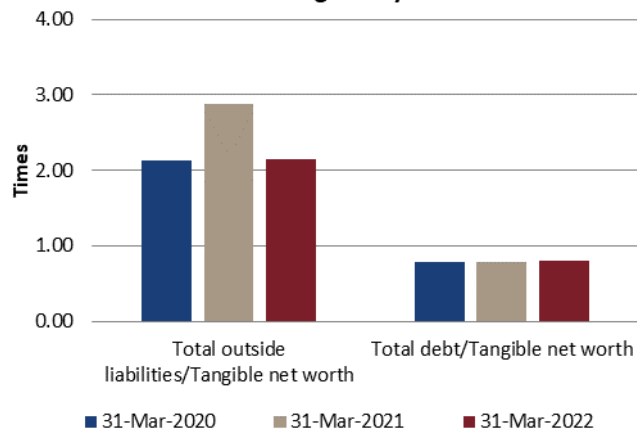
Working capital analysis



Asset Profile



Leverage analysis



Banking facilities

Name and location of the bank	Length of relationship	Facilities availed	Type of facility	Loan amount sanctioned limit	Rate (%)
Janata Sahakari Bank, Pune – Maharashtra	9 years	Cash credit	Fund-based limit	Rs 1,200.00 Lakh	13.00
		Working capital loan		Rs 525.00 Lakh	
HDFC Bank Limited	26 years	Current account	Not applicable		
Ratnakar Bank	4 years				
YES Bank Limited	1 year	Car Loan	Fund-based limit	Rs. 19.50 Lakh	7.90

Feedback: The team has received satisfied feedback.

Site visit

Address of the site visited	:	706 -709, 7th Floor Aravali Business Centre R C Patel Road - Off Sodawala Lane Borivali (West) Mumbai – 400 092, Maharashtra.																	
Date of site visit	:	March 21, 2023																	
CRISIL representative	:	Pankaj																	
Unit official contacted	:	Name: Mr. Ratnesh Singh Designation: CFO Mobile no.: +91 7506 351 001 Email ID: cfo@vaishalipharma.com																	
No. of floors occupied	:	1 floor																	
Size of premises	:	3,000 sq ft																	
Number of employees at the location	:	100																	
Child labour at the site	:	No																	
Locality	:	Commercial																	
Location area	:	Urban																	
Site location	:	Main Road																	
Site used as	:	<table border="1"> <tr> <td>Administrative office</td> <td>Yes</td> </tr> <tr> <td>Regional office</td> <td>Yes</td> </tr> <tr> <td>Sales office</td> <td>No</td> </tr> <tr> <td>Factory or works</td> <td>No</td> </tr> <tr> <td>Warehouse</td> <td>No</td> </tr> </table>		Administrative office	Yes	Regional office	Yes	Sales office	No	Factory or works	No	Warehouse	No						
Administrative office	Yes																		
Regional office	Yes																		
Sales office	No																		
Factory or works	No																		
Warehouse	No																		
Site layout	:	Spacious and well-organized																	
Space around the building / structure	:	Front porch																	
State of infrastructure	:	<ul style="list-style-type: none"> ▪ Power: Stable ▪ Backup power: Unavailable ▪ Water: Available ▪ Labour unions: None ▪ Transportation: Easily available ▪ Overall infrastructure: Satisfactory 																	
Electricity units consumed	:	<ul style="list-style-type: none"> ▪ February 2023: 3,500 units ▪ January 2023: 3,600 units ▪ December 2022: 3,650 units 																	
Building structure	:	Permanent																	
Ownership of premises	:	Owned																	
Sharing premises with group concerns	:	No																	
Facilities available at the site	:	<table border="1"> <tr> <td>Telephone</td> <td>Yes</td> </tr> <tr> <td>Internet</td> <td>Yes</td> </tr> <tr> <td>Fax</td> <td>Yes</td> </tr> <tr> <td>Generator</td> <td>Yes</td> </tr> <tr> <td>Security guards</td> <td>Yes</td> </tr> <tr> <td>Name or sign boards</td> <td>Yes</td> </tr> <tr> <td>Fire extinguisher</td> <td>Yes</td> </tr> <tr> <td>Drinking water</td> <td>Yes</td> </tr> </table>		Telephone	Yes	Internet	Yes	Fax	Yes	Generator	Yes	Security guards	Yes	Name or sign boards	Yes	Fire extinguisher	Yes	Drinking water	Yes
Telephone	Yes																		
Internet	Yes																		
Fax	Yes																		
Generator	Yes																		
Security guards	Yes																		
Name or sign boards	Yes																		
Fire extinguisher	Yes																		
Drinking water	Yes																		

		Elevators	Yes
		Transport arrangement	Yes
		Boundary wall	Yes
		Drainage and sewerage	Yes
		Pantry and canteen	No
Installed capacity	:		
Utilized capacity	:	Not applicable	
Environmental clearance obtained by unit	:		

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong, UAE and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

About Regulated Research provided by CRISIL Limited

CRISIL is registered as a Research Analyst with SEBI (Registration No INH000007854), herein referred to as "CRISIL Research". We provide insights, opinion, analysis, and data on the Indian economy, industry, capital markets, and companies.

We are the largest valuation agency for fixed income securities, and a prominent debt and hybrid index provider in India. We publish rankings for mutual fund schemes, and provide granular portfolio analysis services for asset managers, financial intermediaries, retirement funds and institutional investors.

Our data and analytics platforms - Alphatrax and Quantix - enable our clients to assess Industry and Company level risks based on CRISIL's proprietary models.

CRISIL ESG Scores help benchmark companies based on their inherent ESG risk using public domain information and a proprietary framework.

Our Company reports (that combine select financial and non-financial data, analytics from our proprietary risk models, and commentary on company's financial performance) are used by commercial banks, financial institutions, and non-banking finance companies as part of their credit/ risk management process.

Our SME Gradings, used by lenders, assess creditworthiness of SME enterprises relative to the peers leveraging our proprietary grading model. The framework includes assessment of entity-level financial and operating performance, as well as industry-level drivers.

CRISIL Privacy Statement

CRISIL respects your privacy. We may use your contact information, such as your name, address, and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com/privacy.

Analyst Disclosure

Members of the team (including their relatives) involved in the preparation of this report and whose names are published as part of this report hereby affirm that there exists no conflict of interest (including any financial interest or actual/ beneficial ownership of 1% or more of the securities of the subject companies) that can bias the output of the Report. Further, neither the members have served as officers, directors, or employees of the companies analyzed in the report in the last 6 months nor have they engaged in market making activities for the subject companies.

Company Disclosure

1. CRISIL Research or its associates do not provide investment banking or merchant banking or brokerage or market making services.
2. CRISIL Research encourages independence in research report preparation and strives to minimize conflict in preparation of research reports through strong governance architecture comprising of policies, procedures, and disclosures.
3. CRISIL Research prohibits its analysts, persons reporting to analysts, and their relatives from having any financial interest in the securities or derivatives of companies that the analysts cover.
4. CRISIL Research or its associates collectively may own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.
5. CRISIL Research or its associates may have financial interest in the form of holdings in the subject company mentioned in this report.
6. CRISIL receives compensation from the company mentioned in the report or third party in connection with preparation of the research report.
7. As a provider of ratings, grading, data, research, analytics and solutions, infrastructure advisory, and benchmarking services, CRISIL or its associates are likely to have commercial transactions with the company and may receive compensation for the services provided.
8. CRISIL Research or its associates do not have any other material conflict of interest at the time of publication of the report.
9. No material disciplinary action has been taken against CRISIL Research or its analysts by any Regulatory Authority impacting Research Analyst activities.

Argentina | China | Hong Kong | **India** | Poland | Singapore | UK | USA

CRISIL Limited: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076. India

Phone: + 91 22 3342 3000 | Fax: + 91 22 3342 3001 | www.crisil.com

[in/company/crisil](https://www.linkedin.com/company/crisil) [t@CRISILlimited](https://twitter.com/CRISILlimited) [f/CRISILlimited](https://www.facebook.com/CRISILlimited) [y/user/CRISILlimited](https://www.youtube.com/user/CRISILlimited)

CRISIL
An S&P Global Company