

August 07, 2023

## Virgo Aluminium Limited: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term / Short Term-Fund Based/Non Fund Based-Cash Credit	74.00	74.00	[ICRA]BB+ (Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Fund Based- Term Loan	40.70	40.70	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Short Term-Non Fund Based-Bank Guarantee	3.30	3.30	[ICRA]A4+; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
<b>Total</b>	<b>118.00</b>	<b>118.00</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the long-term and short-term ratings for the bank facilities of Virgo Aluminium Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]BB+ (Stable)/[ICRA]A4+; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at [www.icra.in](http://www.icra.in).

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology Primary Non-Ferrous Metals</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

## About the company

Incorporated in 1989 as Alpha Reprographics Limited, VAL got its present name in 2009. Its plant achieved COD in April 2011 and became fully operational in October 2011. The plant manufactures Aluminium Sheets and Coils with an installed capacity of 36,000 MT per annum (enhanced from 18000MTPA) of sizes varying from 0.1mm to 4mm. The products manufactured by the company find usages in various end user industries such as power, automobiles, consumer durables, furniture and architecture application etc. Initially the company used to procure aluminium ingots from Hindalco, NALCO etc, but subsequently, it has started importing aluminium scrap.

In FY22 and FY23, the company added capacity of 18000 MT which would be primarily catering to the export market mainly to the US and Europe market. This apart, the fresh plant will also cater to the western and southern India, where the group already has its distribution network. The fresh plant in Ahmedabad will also help the company to reduce its freight and transportation cost for export market. For the export market, the company will be focusing on the products, which have higher acceptability in the export market.

### Key financial indicators:

	FY2021 (A)	FY2022 (A)	FY2023 (Pov)
Operating income (Rs. Crore)	251.98	403.30	615.91
PAT (Rs. Crore)	10.64	22.06	1.19
OPBDIT/OI	7.2%	12.0%	4.4%
PAT/OI	4.2%	5.4%	0.2%
Total outside liabilities/Tangible net worth (times)	1.93	1.67	1.88
Total debt/OPBDIT (times)	9.17	3.24	7.11
Interest coverage (times)	5.96	7.09	2.07

Source-Company

**PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation**

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: Not Applicable**

**Rating history for past three years**

Instrument	Current Rating (FY2024)					Chronology of Rating History for the past 3 years					
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in		Date & Rating in FY2022		Date & Rating in FY2021		Date & Rating in FY2020	
				07-Aug-2023	28-Apr-2023	13-Jan-2022	30-Dec-2021	01-Sep-2020	11-Jun-2020	25-Jul-2019	30-Apr-2019
1 Fund Based	Long Term	-	-	-	-	-	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING
2 Fund Based / Non-Fund Based-Cash Credit	Long Term/ Short Term	74.00	-	[ICRA]BB+ (Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable)/ [ICRA]A2	[ICRA]BBB+ (Stable) / [ICRA]A2	-	-	-	-
3 Term Loan	Long Term	40.70	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-	-	-	-
4 Non fund Based-Bank Guarantee	Short Term	3.30	-	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A2	-	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA] A2; ISSUER NOT COOPERATING
5 Unallocated	Long Term	-	-	-	-	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING

**Complexity level of the rated instrument**

Instrument	Complexity Indicator
Fund Based / Non-Fund Based-Cash Credit	Simple
Term Loan	Simple
Non fund Based-Bank Guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based / Non-Fund Based-Cash Credit	-	-	-	74.00	[ICRA]BB+ (Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING
NA	Term Loan	Sep 2021	-	Sep 2026	40.70	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Non fund Based-Bank Guarantee	Apr 2016	NA	FY 2026	3.30	[ICRA]A4+; ISSUER NOT COOPERATING

Source: Virgo Aluminium Limited

[Please click here to view details of lender-wise facilities rated by ICRA](#)

### Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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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.

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## ICRA Limited



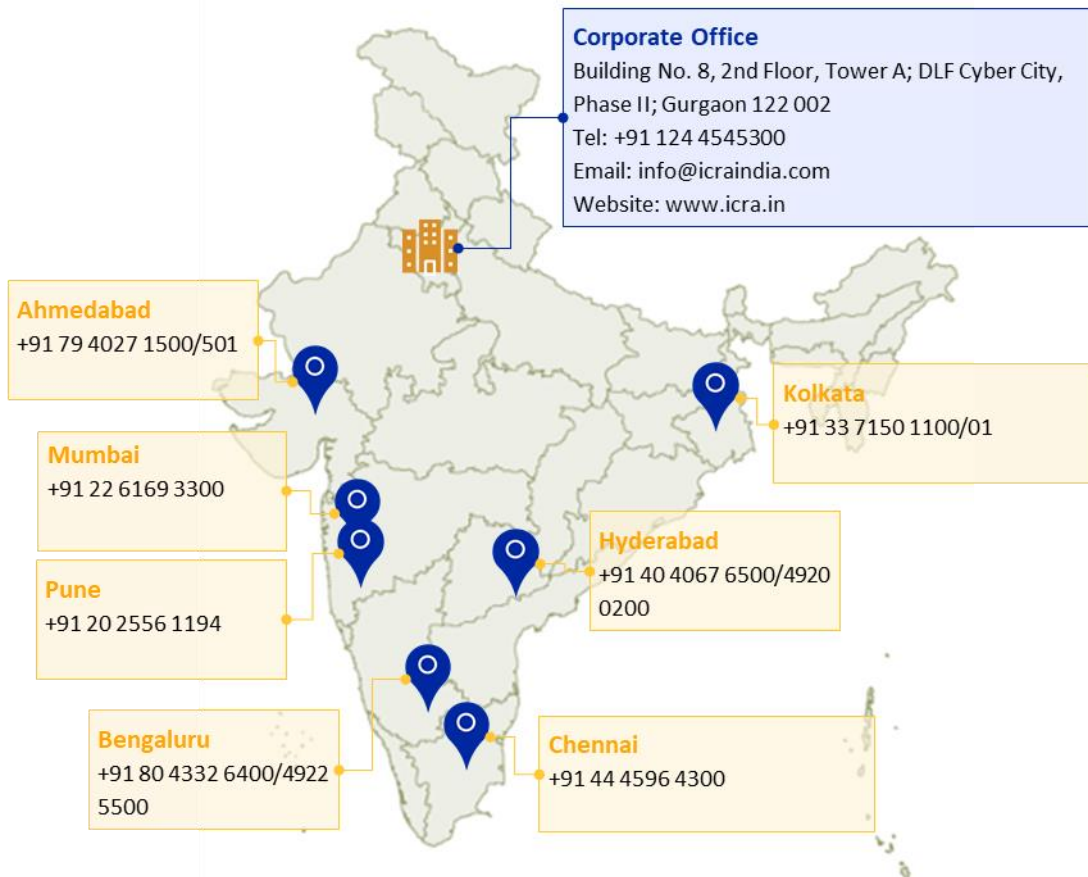
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