

June 10, 2022

Virgo Industries: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based Limit CC	3.00	3.00	[ICRA]A+ (Stable); Withdrawn
Non Fund Based Limits	12.00	12.00	[ICRA]A1; Withdrawn
Total	15.00	15.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Virgo Industries based on the company's request and the no-objection certificate received from its banker, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click Here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Virgo Laminates Limited, Virgo Industries, Virgo Decors Private Limited and Virgo Boards Limited, which are all enlisted in Annexure-2. Recently, Virgo Decors Private Limited and Virgo Boards Limited have been merged into Virgo Laminates Limited.

About the company

Virgo Industries (VI) is a part of the Virgo Group, which was founded by Mr. R.P. Arora in 1975, by setting up a rice mill in the Moga district of Punjab. The Group has since moved into manufacturing and at present has a diversified presence in decorative laminates, plywoods, boards, and aluminium sheets and coils. The Group is one of the largest players in the domestic laminates market with a total annual capacity of around 158 lakh sheets. It is currently managed by Mr. R.P. Arora's sons, namely Mr. Bishamber Dass Arora, Mr. Surender Pal Arora, Mr. Tilak Raj Arora and Mr. Praveen Kumar Arora. The other Group entities which are involved in the manufacturing of laminates are Virgo Laminates Limited (VLL), Virgo Decors Private Limited (VDPL) and Virgo Boards Limited (VBL). VDPL and VBL have been merged into VLL in FY2021. Apart from these, the group also has Virgo Plywoods Limited (VPL), which is into plywood manufacturing, and Virgo Aluminium Limited (VAL) which manufactures aluminium sheets and coils.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				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
					June 10, 2022	Nov 11, 2021	Apr 09, 2021		
1	Fund Based Cash Credit	Long-term	3.0	-	[[ICRA]A+ (Stable); Withdrawn	[[ICRA]A+ (Stable)	[[ICRA]A (Stable)	-	[[ICRA]A(Stable)
2	Non-Fund Based	Short term	12.0	-	[ICRA]A1; Withdrawn	[ICRA]A1	[ICRA]A1	-	[ICRA]A1

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-fund Based Limits	Very Simple
Fund based - Cash credit	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 analyzing 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: www.icra.in

Annexure-1: Instrument details

ISIN No/Banker Name	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based Cash Credit	-	-	-	3.0	[ICRA]A+(Stable); Withdrawn
NA	Non-Fund Based Limits	-	-	-	12.0	[ICRA]A1; Withdrawn

Source: Virgo Industries

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Virgo Industries	NA	Full Consolidation
Virgo Laminates Limited	100.0%	Full Consolidation
Virgo Boards Limited*	100.0%	Full Consolidation
Virgo Decors Private Limited*	100.0%	Full Consolidation

Source: Company, ICRA Research

Note: ICRA has taken a consolidated view of four associate Group/firms while assigning the ratings. Two of the entities have merged into Virgo Laminates Ltd in FY2021.

*these two entities are now merged with Virgo Laminates Limited

ANALYST CONTACTS

Rajeshwar Burla

+91 40 40676527

rajeshwar.burla@icraindia.com

Mathew Kurian Eranat

+91 80 4332 6415

mathew.eranat@icraindia.com

Anupama Reddy

+91 40 4067 6516

anupama.reddy@icraindia.com

Vishal R

+91 80 4332 6419

vishal.r@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

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

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2022 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.