

Vaighai Agro Products Limited

January 30, 2019

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term Loan	8.32	8.32	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; Rating continues to remain in 'Issuer Not Cooperating' Category
Fund based facility	21.00	21.00	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; Rating continues to remain in 'Issuer Not Cooperating' Category
Unallocated facility	0.27	0.27	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; Rating continues to remain in 'Issuer Not Cooperating' Category
Fund based facility	2.50	2.50	[ICRA]A3 ISSUER NOT COOPERATING*; Rating continues to remain in 'Issuer Not Cooperating' Category
Fund based facility – Sub-limit	(5.00)	(5.00)	[ICRA]A3 ISSUER NOT COOPERATING*; Rating continues to remain in 'Issuer Not Cooperating' Category
Non-fund based facility	16.00	16.00	[ICRA]A3 ISSUER NOT COOPERATING*; Rating continues to remain in 'Issuer Not Cooperating' Category
Total	48.09	48.09	

*Issuer did not co-operate; based on best available information.

Rationale

The ratings of Rs. 48.09 crore bank facilities of Vaighai Agro Products Limited (VAPL or the company) continues to remain in 'Issuer Not Cooperating' Category. The ratings are denoted as "[ICRA]BBB-(Stable) / [ICRA]A3; Issuer Not Cooperating".

ICRA has been trying to seek information from the company so as to monitor its performance, but despite repeated requests by ICRA, the company'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 company.

Analytical approach

ICRA has applied its rating methodologies/policies as indicated below:

Links to applicable criteria:

[Policy in respect of non-cooperation by the rated entity](#)

About the company:

Incorporated in February 2010 and headquartered in Madurai (Tamil Nadu), VAPL is involved in the processing of crude rice bran oil (RBO) and de-oiled rice bran (DRB) through the solvent-extraction process. The company procures rice bran (which is its primary raw material) from ~600 rice mills in Tamil Nadu in addition to its subsidiary, Vaighai Lanka Private Limited, Sri Lanka. It has three manufacturing facilities in Namakkal, Madurai and Tirunelveli, with an aggregate installed capacity of 3,20,000 MTPA to process rice bran to produce RBO and a by-product, DRB. The company does not refine rice bran. The produced RBO is either sold to refineries for further processing or to poultry farms, while DRB is sold entirely

to poultry farms. A major portion of VAPL's sales is derived from Tamil Nadu, while the remaining is from Andhra Pradesh, Kerala, Karnataka, Maharashtra, Madhya Pradesh and Pondicherry. Recently, the company started extracting oil from sunflower and copra to utilise the excess capacity. VAPL also trades in starch and coco, mainly in the overseas markets.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key financial indicators:

	FY2017	FY2018*
Operating Income (Rs. crore)	368.8	289.5
PAT (Rs. crore)	1.3	0.1
OPBDIT/ OI (%)	1.9%	2.7%
RoCE (%)	7.4%	6.4%
Total Debt/ TNW (times)	0.9	1.3
Total Debt/ OPBDIT (times)	4.2	5.2
Interest Coverage (times)	1.7	1.9
NWC/ OI (%)	7.7%	14.9%

*Provisional statements

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