July 31, 2020

Virgo Polymers (India) Ltd: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term, term loans	1.50	1.50	[ICRA]BB+(Stable); Rating withdrawn
Long-Term, fund-based	10.00	10.00	[ICRA]BB+(Stable); Rating withdrawn
Long -Term, Unallocated	0.30	0.30	[ICRA]BB+(Stable); Rating withdrawn
Short-Term, Non-fund based	12.00	12.00	[ICRA]A4+; Rating withdrawn
Short-Term, Unallocated	3.95	3.95	[ICRA]A4+; Rating withdrawn
Total	**27.75**	**27.75**	

**Instrument details are provided in Annexure-1*

Rationale

ICRA has withdrawn the long-term rating of [ICRA]BB+ and short-term rating of [ICRA]A4+ assigned to the bank facilities of Virgo Polymers (India) Ltd (Virgo). The rating is withdrawn in accordance with ICRA's policy on withdrawal and suspension at the request of the company and based on the no objection certificate provided by its banker. ICRA does not have incremental information to suggest that the credit risk has changed since the time the rating was last reviewed.

Key rating drivers and their description

Key rating drivers have not been captured for the rating withdrawal due to inadequacy of incremental information since the time the ratings were last reviewed

Liquidity position

Liquidity position has not been captured for the rating withdrawal due to inadequacy of incremental information since the time the ratings were last reviewed

Rating sensitivities

Rating Sensitivities have not been captured for the rating withdrawal due to inadequacy of incremental information since the time the ratings were last reviewed.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	NA
Consolidation/Standalone	Based on standalone financial statements of the entity.

About the company

Virgo is a part of the Shyam Group of companies and is involved in manufacturing FIBC bags out of their manufacturing facilities in Chennai, Tamil Nadu. Incorporated in 1985 as Virgo Polybags Private Limited, with an initial capacity of 180MTPA, its current installed capacity stands at 4800 MTPA. The company sells its products to numerous players both in the domestic and international markets. It also operates as a DCA/CS agent for HMEL for polypropylene in Tamil Nadu, Kerala and Pondicherry, and Karnataka. It caters to the bulk packaging needs of various Industries pan-India as well as, tranships to 10 countries in four continents across the globe.

In FY2019, Virgo reported a net profit of Rs. 1.7 crore on an OI of Rs. 109.4 crore, as compared to a net profit of Rs. 0.8 crore on an OI of Rs. 115.3 crore in the previous year.

Key financial indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	115.3	109.4
PAT (Rs. crore)	0.8	1.7
OPBDIT/OI (%)	2.3%	3.8%
RoCE (%)	8.1%	12.0%
Total Outside Liabilities/Tangible Net Worth (times)	3.1	2.3
Total Debt/OPBDIT (times)	7.8	5.8
Interest Coverage (times)	1.8	1.8
DSCR	2.2	2.2

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2017
					31-Jul-2020	15-Apr-2019	06-Apr-2018	31-Mar-2017
1	Term Loan	Long Term	1.50	1.50	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Negative)
2	Cash Credit	Long Term	10.00	-	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Negative)
3	Unallocated	Long Term	0.30	-	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Negative)
4	Letter of Credit	Short Term	10.00	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
5	Bank Guarantee	Short Term	2.00	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
6	Unallocated	Short Term	3.95	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A4+	-

Amount in Rs. crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	Jan 2018	-	Mar 2022	1.50	[ICRA]BB+ (Stable); Withdrawn
NA	Cash Credit	-	-	-	10.00	[ICRA]BB+ (Stable); Withdrawn
NA	Unallocated Limits	-	-	-	0.30	[ICRA]BB+ (Stable); Withdrawn
NA	LC	-	-	-	10.00	[ICRA]A4+; Withdrawn
NA	Bank Guarantee	-	-	-	2.00	[ICRA]A4+; Withdrawn
NA	Unallocated Limits	-	-	-	3.95	[ICRA]A4+; Withdrawn

Source: Virgo

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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

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