

## Varron Aluminium Private Limited

December 10, 2019

### Ratings

Facilities	Amount (Rs. Crore)	Rating <sup>1</sup>	Remarks
Long-term Bank Facilities	40.00	CARE D; ISSUER NOT COOPERATING (Single D ; ISSUER NOT COOPERATING)	Issuer not cooperating; based on best available information
Long Term Bank Facilities/Short Term bank Facilities	50.00	CARE D; ISSUER NOT COOPERATING (Single D ; ISSUER NOT COOPERATING)	Issuer not cooperating; based on best available information
Short Term Bank Facilities	55.00	CARE D; ISSUER NOT COOPERATING (Single D ; ISSUER NOT COOPERATING)	Issuer not cooperating; based on best available information
<b>Total Facilities</b>	<b>145.00</b> <b>(Rupees One Hundred Forty Five crore only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated August 24, 2018 placed the rating(s) of Varron Aluminium Private Limited (VAPL) under the 'issuer non-cooperating' category as VAPL had failed to provide information for monitoring of the rating. ABC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated December 4, 2019. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).***

**Analytical approach:** Standalone

**Applicable Criteria**

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Financial Ratios-Non Financial Sector](#)

[Rating Methodology: Manufacturing Companies](#)

[Criteria on assigning Outlook to Credit Rating](#)

[Rating Methodology -- Auto Ancillary Companies](#)

### About the Company

Varron Aluminium Private Limited (VAPL) is engaged in the manufacturing of alloy and aluminum based ingots, aluminum castings and steel forgings utilized in the production of automotive components and forgings. Further, from January 2015, the company has also commenced manufacturing of pressure die castings.. It manufactures aluminium ingots of all grades by recycling of aluminium scrap material. It had a manufacturing capacity to produce 7,800 MT per month of aluminium based products during FY14 that was enhanced to 9,000 MT per month during FY15. The manufacturing plant of the company is located at Ratnagiri, Maharashtra, VAPL has installed eight furnaces for the manufacturing of aluminum ingots.

Brief Financials (Rs. crore)	FY17 (A)	FY18(A)	FY19(A)
Total operating income	NA	N.A	N.A
PBILDT (%)			
PAT(Crore)			
Interest coverage (times)			

A: Audited; N.A-Not available

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based/Non-fund-based-LT/ST	-	-	-	50.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based-Short Term	-	-	-	55.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Term Loan-Long Term	-	-	Feb 2024	40.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based/Non-fund-based-LT/ST	LT/ST	50.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (24-Aug-18)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (13-Apr-17)	1)CARE D / CARE D (16-Jan-17) 2)CARE BBB- / CARE A3 (13-May-16)
2.	Non-fund-based-Short Term	ST	55.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (24-Aug-18)	1)CARE D; ISSUER NOT COOPERATING* (13-Apr-17)	1)CARE D (16-Jan-17) 2)CARE A3 (13-May-16)
3.	Term Loan-Long Term	LT	40.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (24-Aug-18)	1)CARE D; ISSUER NOT COOPERATING* (13-Apr-17)	1)CARE D (16-Jan-17) 2)CARE BBB- (13-May-16)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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#### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

#### Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration' of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**