

## Press Release

### Galaxy Aluminium LLP

June 02, 2022



#### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	-	ACUITE A4+   Downgraded   Issuer not co-operating*
Bank Loan Ratings	3.10	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	13.10	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

\*The issuer did not co-operate; Based on best available information.

#### Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE Double B plus**) from **ACUITE BBB-** (read as **ACUITE triple B minus**) and short-term rating to **ACUITE A4+** (read as **ACUITE A Four plus**) from **ACUITE A3** (read as **ACUITE A Three**) on the Rs.13.10 crore bank facilities of Galaxy Aluminium LLP. This rating is now an indicative rating and is based on best available information.

The downgrade in the rating is because there is lack of latest information even after multiple follow-ups.

#### About the Company

Galaxy Aluminium LLP is a Sangli, Maharashtra based limited liability partnership firm. The firm was established in the year 2011 and is promoted by Mr.Subhash Vrajilal Vhora and Mr.Sameer Subhash Vhora, along with their family members. The firm is engaged in manufacturing aluminum and aluminum alloy rods. The rod manufactured by the firm is used as a backward integration for manufacturing aluminum conductors under its group company-Galaxy Transmission Private Limited (GTPL). GAL meets most of the aluminum alloy rod requirement for GTPL.

#### About the Group

Galaxy Group is a Maharashtra based group founded in the year 1995. The group is promoted by the Vhora family led by Mr. Subhash Vrajilal Vhora and Mr. Sameer Subhash Vhora. The group comprises of two companies, namely Galaxy Aluminium LLP (GAL) and Galaxy Transmission Private Limited (GTPL). GTPL (erstwhile Galaxy cables) was established in the year 1995 and later in the year 2006, the constitution was changed to a private limited company. The group is engaged in manufacturing aluminum and aluminum alloy rods and conductors. GAL is engaged in manufacturing aluminum and aluminum alloy rods whereas GTPL is engaged in manufacturing aluminum conductors that finds its use in power

transmission and distribution industry. The manufacturing units are located at Sangli and Nagpur unit. The total manufacturing capacity is ~65,000 MTPA for conductors with ~65 per cent utilization. The group supplies products to Power Grid Corporation of India Limited, State Electricity Boards and other Private Utilities. GAL meets most of the aluminum alloy rod requirement of GTPL with manufacturing capacity of 25,000 MTPA for aluminum and aluminum alloy rods with ~60 per cent utilization.

### **Non-cooperation by the issuer/borrower**

Acuité has been requesting for required documents; however, despite multiple requests; the Company's management has remained non-cooperative and submitted partial documents for assigning the rating. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

### **Limitation regarding information availability**

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### **Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon.

### **Material Covenants**

None.

### **Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon.

### **Outlook**

Not Available.

### **Key Financials:**

The rated entity has not shared the latest financial statements despite repeated requests.

### **Status of non-cooperation with previous CRA**

Not Applicable.

### **Any other information**

None

### **Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### **Note on Complexity Levels of the Rated Instrument**

<https://www.acuite.in/view-rating-criteria-55.htm>

### **Rating History**

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
	Letter of Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)

09 Mar 2021	Proposed Bank Facility	Long Term	1.60	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	1.50	ACUITE BBB-   Stable (Reaffirmed)
01 Oct 2019	Letter of Credit	Short Term	10.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Proposed Bank Facility	Long Term	1.60	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
	Cash Credit	Long Term	1.50	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
04 Sep 2018	Proposed Bank Facility	Long Term	1.60	ACUITE BB+   Stable (Reaffirmed)
	Cash Credit	Long Term	1.50	ACUITE BB+   Stable (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A4+ (Reaffirmed)
29 Jun 2017	Term Loan	Long Term	1.60	ACUITE BB+   Stable (Upgraded from ACUITE BB   Stable)
	Cash Credit	Long Term	1.50	ACUITE BB+   Stable (Upgraded from ACUITE BB   Stable)
	Letter of Credit	Short Term	10.00	ACUITE A4+ (Reaffirmed)
08 Mar 2016	Term Loan	Long Term	1.60	ACUITE BB   Stable (Assigned)
	Cash Credit	Long Term	1.50	ACUITE BB   Stable (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A4+ (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE BB+   Downgraded   Issuer not co-operating*
Indian Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	1.60	ACUITE BB+   Downgraded   Issuer not co-operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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