

July 15, 2024

Chowgule SBD Private Limited – Update on material event

Summary of ratings outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long term - Non-fund based	595.00	595.00	[ICRA]BBB+ (Stable)
Long term – Fund-based – Others	100.00	100.00	[ICRA]BBB+ (Stable)
Long term/Short term - Unallocated	5.00	5.00	[ICRA]BBB+ (Stable)/ [ICRA]A2
Total	700.00	700.00	

*Instrument details are provided in Annexure-1

Rationale

As per media articles, Enforcement Directorate (ED) officials conducted search operations at various locations of Chowgule & company Private Limited (CCPL), Chowgule Steamship Limited (CSL) and PP Mahatme & Company and seven residential premises of Chowgule family members and few other current and past employees of the company. The search operations as indicated to ICRA are pertaining to a police complaint filed by the company against an ex-director of CCPL. The police complaint was related to a transactions that were undertaken by CCPL in the period of 2009 to 2014 for advancing funds to offshore subsidiaries. These loans and advances were later written-off as the investments did not yield the desired results.

Currently, there has been no impact of the search operations on the business operations or financial flexibility of the group. However, ICRA will continue to monitor the developments on this front going forward and will take an appropriate rating action depending on incremental developments if any.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position ,rating sensitivities and key financial indicator: [Click Here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Group company: Chowgule & Company Private Limited The ratings consider the likelihood of the parent CCPL extending support to CSBDPL, should the need arise. The analyst has followed a parent support uplift approach while rating CSBDPL's bank lines with CCPL as the parent given that CSBDPL is a wholly owned subsidiary of CCPL. Additionally, CCPL has funded the entire purchase and capex through contribution in the form of equity and majorly through unsecured loans which it also intends to convert into equity/quasi equity.
Consolidation/Standalone	Standalone

About the company

The company was incorporated in October 2021 by the promoters of the Chowgule Group with an intention to bid for New Mangalore Shipyard (NMSY), previously owned by Bharti Defence and Instructure Ltd. NMSY had come up for sale under the Indian Bankruptcy Code (IBC) after it was taken over by Edelweiss Asset Reconstruction Company. Deloitte was appointed as

the liquidator to oversee the liquidation process. CSBDPL is a wholly-owned subsidiary of CCPL. The company acquired the assets of NMSY under the IBC route in February 2023 and will be undertaking shipbuilding at the new facility, going forward.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2025)		Chronology of rating history for the past 3 years		
			Date & rating in FY2025		Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
			Jul 15, 2024	Apr 23, 2024	Jun 13, 2023	-	-
1 Non-fund based	Long term	595.00	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-	-
2 Fund based/Non-fund based – Others	Long term/Short term	-	-	-	[ICRA]BBB+ (Stable)/[ICRA]A2	-	-
3 Fund-based – Others	Long term	100.00	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-	-	-
4 Unallocated	Long term/Short term	5.00	[ICRA]BBB+ (Stable)/[ICRA]A2	[ICRA]BBB+ (Stable)/[ICRA]A2	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term - Non-fund based	Very Simple
Fund based – Others	Simple
Unallocated	Not Applicable

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 analysing 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 are available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Non-fund based- BG/LC	NA	NA	NA	595.00	[ICRA]BBB+ (Stable)
NA	Fund-based-CC/WCDL	NA	NA	NA	100.00	[ICRA]BBB+ (Stable)
NA	Unallocated	NA	NA	NA	5.00	[ICRA]BBB+ (Stable)/ [ICRA]A2

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-2: List of entities considered for consolidated analysis-Not applicable

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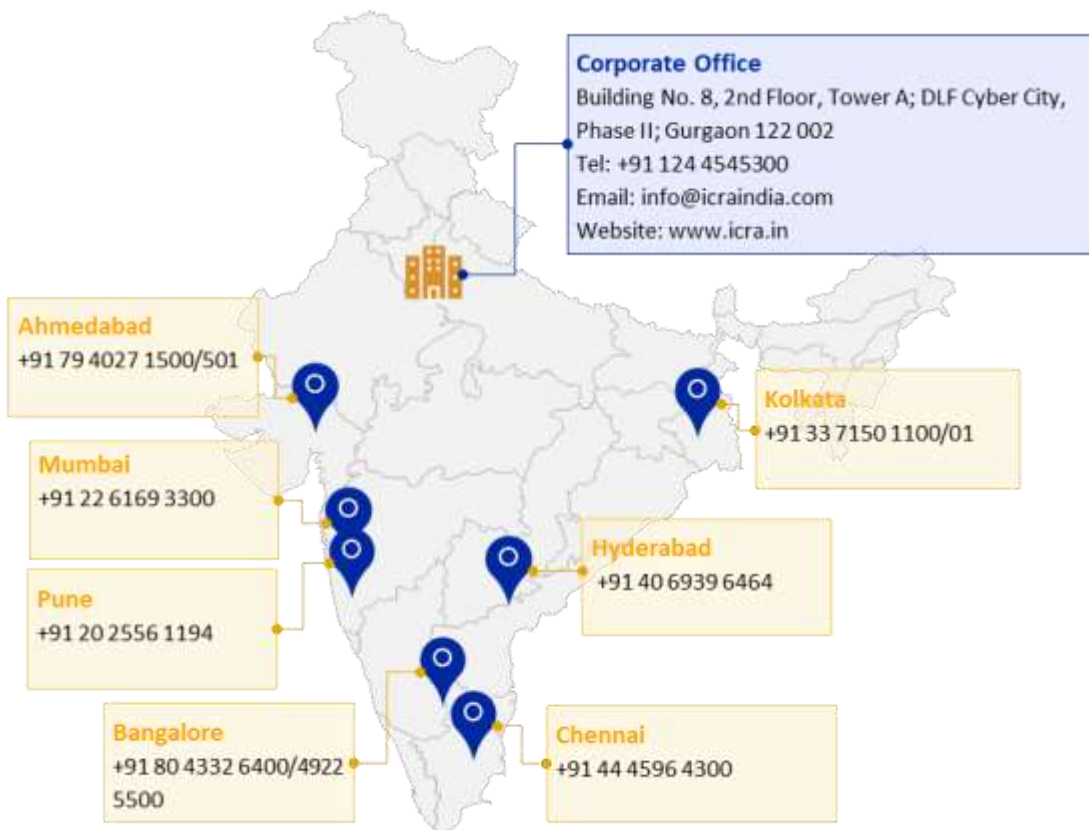
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