

February 28, 2024

## Eco Chimneys Private Limited: Continues to remain under Issuer Non-Cooperating category, Long Term Rating downgraded based on best available information

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	5.50	5.50	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB-(Stable); ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Cash Credit	3.50	3.50	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB-(Stable); ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Short Term-Non Fund Based	6.00	6.00	[ICRA]A4; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
<b>Total</b>	<b>15.00</b>	<b>15.00</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

The rating downgrade is attributable to the lack of adequate information regarding Eco Chimneys Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at [www.icra.in](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade."

As part of its process and in accordance with its rating agreement with Eco Chimneys Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

## About the company

Incorporated in 2006, Eco Chimney Private Limited (ECPL) is involved in manufacturing and installing Precast RCC Chimneys. It has executed over 1,400 small, medium, and large-scale chimney projects for various industries throughout the country and abroad. The company provides complete turnkey solutions from designing, engineering and installing the product to after-sales services. It has manufacturing units in Erode and Ahmedabad. ECPL was promoted by Mr. Periyaswammi Perumal, who has vast experience spanning over 30 years in the industry.

## Key Financial Indicator

	FY2022 (in crore)	FY2023 (in crore)
<b>Operating income</b>	23.34	21.65
<b>PAT</b>	1.07	0.65
<b>OPBDIT/OI</b>	14.10%	12.36%
<b>PAT/OI</b>	4.59%	3.01%
<b>RoCE (%)</b>	20.16%	13.24%
<b>Total outside liabilities/Tangible net worth (times)</b>	2.93	2.79
<b>Total debt/OPBDIT (times)</b>	1.95	2.40
<b>Interest coverage (times)</b>	4.54	4.46

Source: MCA

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: None**

**Rating history for past three years**

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					Feb 28, 2024	Dec 20, 2022	Sep 17, 2021	-
1	Term Loan	Long Term	5.50	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable)	-
2	Cash Credit	Long Term	3.50	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	[ICRA]BB-(Stable)	-
3	Non-Fund Based	Short Term	6.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	-

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple

Cash Credit	Simple
Non-Fund Based	Very Simple

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, is available on ICRA's website: [Click Here](#)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	5.50	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	3.50	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	6.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Eco Chimneys Private Limited

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

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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.

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### Branches



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