

June 07, 2024<sup>(Revised)</sup>

## Chowgule Industries Private Limited: Change in Limits

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term / Short-term – Fund-based/ Non-fund-based – Working capital facilities	75.00	40.00	[ICRA]A(Stable)/[ICRA]A1; Outstanding
<b>Total</b>	<b>75.00</b>	<b>40.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the company.

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

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Automobile Dealers</a> <a href="#">Rating Methodology for Port</a> <a href="#">Rating Methodology for Chemical Industry</a>
Parent/Group support	ICRA has consolidated the financials of CIPL and its Group companies. CIPL, being the leading and the flagship company among the three, is unlikely to draw any significant support from its Group companies. However, ICRA considers the likelihood of CIPL supporting its Group companies high.
Consolidation/Standalone	Consolidation: For arriving at the ratings, ICRA has consolidated the financials of CIPL and its two Group companies (as mentioned in Annexure-2).

### About the company

Chowgule Industries Private Limited (CIPL) is a part of the 93-year-old, Goa-based Chowgule group of companies. CIPL was established in 1963 as a trading arm of the Chowgule Group and is currently involved in retailing cars for MSIL and CVs for VECV. CIPL has a diversified presence in West India with mainly owned showrooms in Pune, Satara, Sangli, Kolhapur (Maharashtra) and Goa. It also deals in spares as well as accessories for vehicles and provides servicing facilities to its customers. As of December 2022, CIPL had 52 outlets, including showrooms and workshops for Arena and Nexa (MSIL), True Value (pre-owned cars) and VECV (CV).

## Key financial indicators (audited)

Chowgule Industries Private Limited	Consolidated		Standalone	
	FY2023	FY2024*	FY2023	FY2024*
Operating income	1,438.0	1,671.1	1,306.9	1,588.8
PAT	48.6	17.7	38.0	32.6
OPBDIT/OI	6.5%	3.9%	4.7%	3.8%
PAT/OI	3.4%	1.1%	2.9%	2.0%
Total outside liabilities/Tangible net worth (times)	0.3	0.4	0.3	0.4
Total debt/OPBDIT (times)	0.9	1.6	0.4	0.6
Interest coverage (times)	7.6	5.3	14.6	15.1

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; Amounts in Rs. crore \* Provisional financials consolidated by ICRA on best effort basis.

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Amount outstanding as on March 31, 2024 (Rs. crore)	Date & rating in FY2025		Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022
				June 07, 2024	May 31, 2024		Feb 20, 2023	Jan 30, 2023	
1 Fund based/Non-fund based – Working capital limits	Long-term/short-term	40.00	-	[ICRA]A (Stable)/[ICRA]A1	[ICRA]A (Stable)/[ICRA]A1	-	[ICRA]A (Stable)/[ICRA]A1	[ICRA]A (Stable)/[ICRA]A1	[ICRA]A (Stable)/[ICRA]A1
2 Unallocated limits	Long-term/short-term	0.00	-	-	-	-	-	[ICRA]A (Stable)/[ICRA]A1	[ICRA]A (Stable)/[ICRA]A1

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/ Short-term – Fund Based / Non-Fund Based – Working Capital Limits	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 are available on ICRA's website: [Click Here.](#)

## Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term/short-term – Fund Based / Non-Fund Based – Working Capital Limits	NA	9.25%	NA	40.00	[ICRA]A(Stable)/[ICRA]A1

Source: Company

## Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership*	Consolidation Approach*
Angre Port Private Limited	-	Full Consolidation
Chowgule Construction Chemicals Private Limited	19%	Full Consolidation

Source: Company; \*ICRA has fully consolidated the financials of Angre Port Private Limited and Chowgule Construction Chemicals Private Limited with CIPL on best effort basis, considering the extensive financial linkages over the past years including corporate guarantees, and inter-corporate deposits among the three companies

## Corrigendum

Rationale dated June 07, 2024, has been corrected with revision as detailed below:

**Change made in the section ‘Key financial indicators’ on page no. 02.**

Earlier: Provisional data Consolidated by ICRA as consolidated financials were not available.

Revised: Provisional financials consolidated by ICRA on best effort basis.

**Change made in the section ‘Annexure II: List of entities considered for consolidated analysis’ on page no. 03.**

Earlier: Ownership for Angre Port Private Limited and Chowgule Construction Chemicals Private Limited was mentioned as 100%

Revised: Ownership for Angre Port Private Limited mentioned as ‘-’ and for Chowgule Construction Chemicals Private Limited as ‘19%’. Further, the following note has been added – ‘ICRA has fully consolidated the financials of Angre Port Private Limited and Chowgule Construction Chemicals Private Limited with CIPL on best effort basis, considering the extensive financial linkages over the past years including corporate guarantees, and inter-corporate deposits among the three companies’

## Earlier Corrigendum

Rationale dated June 07, 2024, has been corrected with revision as detailed below:

**Change made in the section ‘Analytical approach’ on page no. 01.**

‘ICRA has consolidated the financials of CIPL and its Group companies. CIPL, being the leading and the flagship company among the three, is unlikely to draw any significant support from its Group companies. However, ICRA considers the likelihood of CIPL supporting its Group companies high.’

‘Consolidation: For arriving at the ratings, ICRA has consolidated the financials of CIPL and its two Group companies (as mentioned in Annexure-2).’

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