

July 15, 2024

Chowgule and Company 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 fund-based - Term loan	87.68	87.68	[ICRA]A+(Stable)
Long-term - Non-fund based	440.00	440.00	[ICRA]A+(Stable)
Short-term - Fund-based	205.00	205.00	[ICRA]A1
Short-term - Non-fund based	72.03	72.03	[ICRA]A1
Long-term/ Short-term - Unallocated limits	195.29	195.29	[ICRA]A+(Stable)/ [ICRA]A1
Total	1,000.00	1,000.00	

*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 Rating Methodology-Mining
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials for CCPL, including CSBDPL and Chowgule and Company (Salt) Private Limited from FY2024 onwards

About the company

CCPL is part of the more than 100-year-old Goa-based Chowgule Group. The company was established in 1965 for mining and exporting iron ore in Goa. Over the years, the company has forayed into shipbuilding, ship repair, shipping and material handling equipment, with a mining lease in Karnataka. On January 11, 2021, the Chowgule Group (of which CCPL is the flagship company) announced the restructuring of its businesses into two separate groups. Post the restructuring, CCPL will have only

the mining and shipbuilding businesses, while the salt business will be operated under the subsidiary, Chowgule & Co (Salt) Private Limited.

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)	Date & rating in FY2025		Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
			Jul 15, 2024	Apr 23, 2024	Jun 09, 2023	Jan 31, 2023	Nov 12, 2021
1 Term loan	Long term	87.68	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
2 Non-fund Based	Long term	440.00	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
3 Fund Based	Short term	205.00	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
4 Non-fund Based	Short term	72.03	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
5 Unallocated limits	Long term/ Short term	195.29	[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

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term fund-based – Term loan	Simple
Long term – Non-fund based	Very Simple
Short term - Fund based	Simple
Short term – Non-fund based	Very Simple
Unallocated limits	NA

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	Term loan- 1	April 2021	NA	March 2026	47.68	[ICRA]A+ (Stable)
NA	Proposed Term Loans	NA	NA	NA	40.00	[ICRA]A+ (Stable)
NA	Fund Based limits	NA	NA	NA	205.00	[ICRA]A1
NA	Long term: Non-fund-based limits	NA	NA	NA	440.00	[ICRA]A+ (Stable)
NA	Short term: Non-fund-based limits	NA	NA	NA	72.03	[ICRA]A1
NA	Unallocated limits	NA	NA	NA	195.29	[ICRA]A+ (Stable)/ [ICRA]A1

Source: Company

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

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Chowgule and Company Private Limited	100%	Full Consolidation
Chowgule and Company (Salt) Private Limited	Subsidiary	Full Consolidation
Chowgule SBD Private Limited	Subsidiary	Full Consolidation

Source: Company

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