

November 25, 2020

## Chanvim Engineering (India) Private Limited: Ratings Continue to remain under Issuer Not Cooperating category, Ratings downgraded based on best available information

### Summary of rated instruments

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Cash Credit	7.00	7.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) ISSUER NOT COOPERATING and continues to remain under Issuer Not Cooperating' category
Term Loan	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
Letter of Credit	12.00	12.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ ISSUER NOT COOPERATING and continues to remain under Issuer Not Cooperating' category
<b>Total</b>	<b>22.50</b>	<b>22.50</b>	

<sup>\*</sup>Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in [Annexure-1](#)

### Rationale

The rating is downgraded because of lack of adequate information regarding Chanvim Engineering (India) 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 the rated entity". 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 Chanvim Engineering (India) Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

### About the company:

Established in 1987, CEPL is involved in the manufacturing of RBE panels from its plant at Gondkhairi, Nagpur. The plant has an installed capacity to manufacture 1.8 million RBE panels per annum. During FY2013, CEPL completed a backward integration project which has improved its control on raw material processing. CEPL is part of the Borana group (founded in 1970) having interests in plastics, aluminium and distribution of FMCG products.

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

**Any other information:** Not Applicable

**Key Financial Indicators:**

	<b>FY2017</b>	<b>FY2018</b>
Operating Income (Rs. crore)	47.4	44.7
PAT (Rs. crore)	1.3	0.7
OPBDIT/ OI (%)	12.0%	11.5%
RoCE (%)	9.8%	8.0%
Total Debt/ TNW (times)	1.5	1.4
Total Debt/ OPBDIT (times)	4.4	5.1
Interest Coverage (times)	1.9	1.9
NWC/ OI (%)	44.3%	53.4%

(Source: MCA, ICRA Research)

**Rating history for past three years**

All figures in Rs. Crores

S. No.	Instrument	Current Rating (FY2021)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated	Amount Outstanding	Date & Rating	Date & Rating in FY2020	Date & Rating in FY2019	Date & Rating in FY2018	
						25-Nov-20	30-May-19	29-Nov-18	08-Aug-17
1	Cash Credit	Long Term	7.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING	
2	Term Loan	Long Term	3.50	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING	
3	Letter of Credit	Short Term	12.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3; ISSUER NOT COOPERATING	[ICRA]A3; ISSUER NOT COOPERATING	

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

**Complexity level of the rated instrument:**

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1

### Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	7.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*
NA	Term Loan	-	-	-	3.50	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*
NA	Letter of Credit	-	-	-	12.00	[ICRA]A4 ISSUER NOT COOPERATING*

*Source: Chanvim Engineering (India) Private Limited*

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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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For more information, visit [www.icra.in](http://www.icra.in)

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