October 28, 2021

CIL Nova Petrochemicals Limited: Continues to remain under issuer Non-Cooperating category, Rating downgraded based on best available information

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based – Cash Credit	13.00	13.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain in the 'Issuer Not Cooperating' category
Non-Fund Based limits	15.65	15.65	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and continues to remain in the 'Issuer Not Cooperating' category
Total	**28.65**	**28.65**	

**Issuer did not cooperate; based on best available information.*
^Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding CIL Nova Petrochemicals 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. 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 CIL Nova Petrochemicals 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 the aforesaid policy of ICRA, a rating view has been taken on the entity 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, the liquidity position, and rating sensitivities: Click Here ICRA is unable to provide the latest Information because of noncooperation by the entity

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

CIL Nova Petrochemicals Ltd (CNPL) was formed as part of the demerger from Nova Petrochemicals Ltd in 2007 and is engaged in the manufacturing of different type of synthetic yarn from polyester - Partially Oriented yarn (POY), Fully Drawn Yarn (FDY) Polyester Texturised Yarn (PTY) and Draw Texturised Yarn (DTY). The company also carries out trading of POY and FDY. The company is part of the Chiripal group of companies based out of Ahmedabad. The company's manufacturing premises are located at Moraiya near Ahmedabad. Total capacity of the plant is 28000 TPA.

Key financial Indicators (audited) : NA

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020		Date & Rating in FY2019
					Oct 28, 2021	Jul 01, 2020	Nov 14, 2019	May 21, 2019	-
1	Fund Based - Cash Credit	Long term	13.00		[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB(CE) (Stable) ISSUER NOT COOPERATING	[ICRA]A-(SO) (Stable) ISSUER NOT COOPERATING	-
2	Non-Fund Based limits	Short Term	15.65		[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]A3+(CE) ISSUER NOT COOPERATING	[ICRA]A2+(SO) ISSUER NOT COOPERATING	-

Complexity level of the rated instrument

Bank limits	Complexity Indicator
Long Term – Fund Based Cash Credit	Simple
Short Term - 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 analyzing 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: www.icra.in

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	Fund Based - Cash Credit	-	-	-	13.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based limits	-	-	-	15.65	[ICRA]A4; ISSUER NOT COOPERATING

Source: CIL Nova Petrochemicals 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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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