



Press Release

Chinar Forge Limited

April 19, 2022

Ratings

| Facilities | Amount (Rs. crore) | Ratings | Rating Action | Complexity Indicator (Simple / High / Complex) |
|---------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------|
| Long Term Bank Facilities | 79.21 | IVR B+ ISSUER NOT COOPERATING* (IVR B plus Issuer Not Cooperating) | Revised and migrated to the 'Issuer Not Cooperating' category | Simple |
| Total | 79.21 (Seventy nine crore and twenty one lakh only) | | | |

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding Chinar Forge Ltd.'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

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 company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated October 20, 2021, December 14, 2021, January 12, 2022, January 22, 2022, February 08, 2022, April



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05, 2022, and April 07, 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term rating for the bank loan facilities aggregating to INR 79.21 crore of Chinar Forge Limited shall be migrated to the 'Issuer Not Cooperating' category by Infomerics and the ratings be noted as 'IVR B+ ISSUER NOT CO-OPERATING' (IVR B plus Issuer Not Cooperating); based on best available information.

Analytical Approach & Applicable Criteria: Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

About the company

Chinar Forge Limited is a floor covering manufacturer and is a leading producer of yarn, area rugs, bathmats, non-woven carpets and Wall to Wall carpets. Further, the company is diversifying its business and has recently entered in the works contracts, renovation, auxiliary construction services and healthcare products like PPE Kits, N-95 face mask, surgical face mask

Financials (Standalone)

| (Rs. Crore) | | |
|-----------------------------|------------|------------|
| For the year ended* / As On | 31-03-2019 | 31-03-2020 |
| | Audited | Audited |
| Total Operating Income | 91.83 | 81.47 |
| EBITDA | 15.11 | 17.87 |
| PAT | 3.56 | 2.72 |
| Total Debt | 69.92 | 85.05 |
| Tangible Net worth | 30.66 | 33.20 |
| EBITDA Margin (%) | 16.45 | 21.93 |
| PAT Margin (%) | 3.88 | 3.33 |
| Overall Gearing Ratio (x) | 3.01 | 3.28 |

* As per Infomerics Standard



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Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

| Sr. No. | Name of Instrument/Facilities | Current Rating (Year 2022-23) | | | Rating History for the past 3 years | | |
|---------|-------------------------------|-------------------------------|--------------------------------|------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------------|
| | | Type | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2021-22 | Date(s) & Rating(s) assigned in 2020-21 January 27, 2021 | Date(s) & Rating(s) assigned in 2019-20 |
| 1. | Term Loan | Long Term | 27.71 | IVR B+ ISSUE R NOT COOPERATING* | - | IVR BB-/ Stable | - |
| 2. | Cash Credit | Long Term | 51.50 | IVR B+ ISSUE R NOT COOPERATING* | - | IVR BB-/ Stable | - |

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

Name and Contact Details of the Rating Analyst:

| | |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.



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Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

| Name of Facility | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|------------------|------------------|------------------|---------------|------------------------------|--------------------------------|
| Term Loan | - | - | February 2035 | 27.71 | IVR B+ ISSUER NOT COOPERATING* |
| Cash Credit | - | - | - | 51.50 | IVR B+ ISSUER NOT COOPERATING* |

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

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: List of companies considered for consolidated analysis: Not Applicable



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Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

