



Press Release

Chinar Forge Limited

September 19, 2024

Ratings

Facilities	Amount (INR crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	87.39	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR double B plus with Negative Outlook Issuer Not Cooperating)	IVR BBB-/ Stable (IVR triple B minus with stable outlook)	Downgraded and moved to Issuer Not Cooperating category	Simple
Total	87.39 (INR eighty-seven crore and thirty- nine lakhs only)				

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has downgraded the long-term rating and moved the rating assigned to the bank facilities of Chinar Forge Limited (CFL) to ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity 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 June 3, May 02, 2024, May 31, 2024, June 03, 2024, June 10, 2024, July 01, 2024, August 27, 2024, August 28, 2024, August 29, 2024, and August 30, 2024, September 05, 2024, September 11, 2024 and concurrently over several phone calls. However, despite repeated requests by



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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 of the bank loan facilities aggregating to INR 87.39 crore of Chinar Forge Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be denoted as IVR BB+/ Negative ISSUER NOT COOPERATING; Based on best available information (IVR Double B plus with Negative outlook Issuer Not Cooperating; Based on best available information).

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Policy On Issuer Not Cooperating](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

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. The promoters of the company have over three decades of experience in the field of manufacturing of non-woven carpet industry. Further, the company has diversified its product profile over the years and currently manufactures complete home solution products which includes carpets, floor mats, blankets, bed sheets, pillow covers, mattresses, comforts, backpacks, pet furnishing products etc.

Financials (Standalone)

(INR Crore)

For the year ended* / As On	31.03.2022	31.03.2023
	Audited	Provisional
Total Operating Income	123.47	144.84
EBITDA	19.61	24.19
PAT	4.46	6.83
Total Debt	83.36	98.23



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Tangible Net worth	44.32	52.18
EBITDA Margin (%)	15.89	16.70
PAT Margin (%)	3.61	4.72
Overall Gearing Ratio (x)	1.88	1.88
Interest Coverage (x)	2.29	2.41

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Brickwork Ratings continues to maintain the ratings of Chinar Forge Limited in the Issuer Non-Cooperating category as the company did not cooperate in the rating procedure despite repeated follow ups as per the Press Release dated June 7, 2024.

Any other information: Nil

Rating History for last three years:

Sl. No.	Name of Instrument / Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years			
		Type (Long Term/ Short Term)	Amount Outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (August 7, 2023)	Date(s) & Rating(s) assigned in 2022-23 (September 21, 2022)	Date(s) & Rating(s) assigned in 2021-22 (April 19, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan	Long Term	13.26	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	IVR BB+/ Stable	IVR B+ ISSUER NOT COOPERATING*	-
2.	GECL	Long Term	14.13	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	IVR BB+/ Stable	-	-
3.	Cash Credit	Long Term	60.00	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	IVR BB+/ Stable	IVR B+ ISSUER NOT COOPERATING*	-

* Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please 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 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.



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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	FY2025	5.21	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan 2	-	-	FY2030	5.49	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan 3	-	-	FY2027	1.10	IVR BB+/ Negative ISSUER NOT COOPERATING*
Term Loan 4	-	-	FY2034	1.46	IVR BB+/ Negative ISSUER NOT COOPERATING*
GECL 1	-	-	FY2027	5.50	IVR BB+/ Negative ISSUER NOT COOPERATING*
GECL 2	-	-	FY2026	6.08	IVR BB+/ Negative ISSUER NOT COOPERATING*
GECL 3	-	-	FY2028	2.55	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 1	-	-	-	52.50	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 2	-	-	-	7.50	IVR BB+/ Negative ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: 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