

Press Release

CHAMPION ROLLING MILL PRIVATE LIMITED

March 07, 2024

Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	15.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	44.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to 'ACUITE BB+' (read as ACUITE Double B Plus) from 'ACUITE BBB-' (read as ACUITE Triple B Minus) and the short-term rating to 'ACUITE A4+' (read as ACUITE A Four Plus) from 'ACUITE A3' (read as ACUITE A Three) on the Rs.44.00 crore bank facilities of Champion Rolling Mill Private Limited (CRMPL). This rating is now an indicative rating and is based on best available information. The downgrade is on account of information risk.

About the Company

Incorporated in the year 2004, Champion Rolling Mill Private Limited (CRMPL) is a Maharashtra-based entity promoted by Mr. Mohd. Yunus Khan, Mr. Mohd. Shafique Khan and Mr. Mohd. Kalim Khan. The company is engaged in the manufacturing and marketing of MS Angles, MS Beams, MS Channels, MS T-Angles, MS Scraps, and sludge in the domestic market with a manufacturing facility is located at Wada, Maharashtra with an installed capacity of 90,000 MTPA.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	320.63	267.37
PAT	Rs. Cr.	3.25	2.99
PAT Margin	(%)	1.01	1.12
Total Debt/Tangible Net Worth	Times	1.20	1.36
PBDIT/Interest	Times	2.60	2.65

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 Jun 2023	Letter of Credit	Short Term	15.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	29.00	ACUITE BBB- Stable (Reaffirmed)
05 Apr 2022	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB- Stable (Assigned)
	Letter of Credit	Short Term	14.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A3 (Assigned)
23 Mar 2022	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Letter of Credit	Short Term	14.00	ACUITE A3 (Reaffirmed)
05 Jan 2021	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Letter of Credit	Short Term	14.00	ACUITE A3 (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	29.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3)

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Sahil Sawant Associate-Rating Operations Tel: 022-49294065 sahil.sawant@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.