

Press Release

Chandanpani Private Limited

February 10, 2022



Rating Downgraded & Withdrawn, Reaffirmed & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	27.00	ACUITE BB Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	1.00	-	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	28.00	-	-

Rating Rationale

Acuité has withdrawn and downgraded the long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and reaffirmed the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.28.00 crore long term bank facilities of Chandapani Private Limited (CPL). The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating. The rating is now indicative rating and is downgraded on account of information risk.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

About the Company

CPL is a Gujarat based company incorporated in 2018. It operates as a melting unit for the Unison Group (UG). CPL began its commercial operations when Universal Metal Company Limited was amalgamated in CPL from FY2018-19. It currently has furnace a capacity of 1500 MT per month (18000 MT per annum). It also sells value-added products like ingots and flats.

About the Group

UG, is an integrated stainless steel manufacturer based out of Gujarat established in 1988. It has facilities for melting scrap metal to rolling metal sheets. It was established by Mr. Uttamchand Mehta. He has experience of more than three decades in the industry. MAL is the flagship company of the group incorporated in 1988. It has a stainless steel and higher alloy steel melting and processing unit. The product profile includes SS ingots, SS flats, round bars, RCS, bright bars and fasteners. It has manufacturing unit covering 40,000 square meters with an installed capacity of 25000 TPA. UML started its operation in 1990 as a private limited company and subsequently became a public limited company in 1995. UML manufactures hot and cold rolled stainless steel sheets, stainless steel patta for a wide range of industrial

applications. It has a rolling capacity of 900 MT per month. It stood at 550 MT per month in the previous year and was expanded to 900 MT per month in January 2020. It also has a frit manufacturing unit. It supplies frit to ceramic tile manufacturers. CPL started its operations as a melting unit for UG in 2018, when operations of Universal Metal Company Limited were amalgamated in CPL. It currently has furnace capacity of 1500 MT per month (18000 MT per annum). It now also sells value added products like ingots and flats. These are procured from group entities like MAL on a job work basis.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date. Acuité believes that information risk is a critical component in such ratings, and non-cooperation 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 Acuité'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). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité 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 Acuité to comment upon.

Material Covenants

None

Liquidity Position

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

Outlook

None

Other Factors affecting Rating

Not Applicable

Key Financials:

The rated entity has not shared the latest Financial Statements despite repeated attempts.

Status of non-cooperation with previous CRA

None

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Nov 2020	Proposed Bank Facility	Long Term	13.50	ACUITE BB+ Stable (Assigned)
	Working Capital Term Loan	Long Term	1.00	ACUITE BB+ Stable (Assigned)
	Bank Guarantee	Short Term	1.00	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	11.50	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	1.00	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Nutan Nagarik Sahakari Bank Ltd	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Nutan Nagarik Sahakari Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.50	ACUITE BB Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB+)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	13.50	ACUITE BB Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB+)
Nutan Nagarik Sahakari Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	1.00	ACUITE BB Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB+)
Nutan Nagarik Sahakari Bank Ltd	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	1.00	ACUITE BB Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB+)

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About Acuité Ratings & Research

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,850 credit 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.

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