

## RATING RATIONALE

19 Sep 2019

### CP Industries

**Brickwork Ratings revised the long term rating for the Bank Loan Facilities of Rs.15 Crores of CP Industries**

#### Particulars:

| Facility**     | Amount (₹ Cr) |              | Tenure                            | Rating*                           |                              |
|----------------|---------------|--------------|-----------------------------------|-----------------------------------|------------------------------|
|                | Previous      | Present      |                                   | Previous (Jan, 2018)              | Present                      |
| Fund based: CC | 15.00         | 15.00        | Long Term                         | <b>BWR B</b><br>(Outlook: Stable) | <b>BWR D</b><br>(Downgraded) |
| <b>Total</b>   | <b>15.00</b>  | <b>15.00</b> | <b>Rupees Fifteen Crores Only</b> |                                   |                              |

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

\*\* Details of Bank facilities is provided in Annexure-I

#### RATING ACTION / OUTLOOK

The revision in the rating of C P Industries to BWR D, is on the account of the adverse feedback received from the banker via email dated 18 September 2019, stating that the account has been classified as NPA on account of non servicing of interest.

#### COMPANY PROFILE

CP Industries is a proprietorship concern established in 1992. The concern is involved in manufacturing and trading in mustard seeds, mustard oil, and mustard oil cake. The concern was established by Mr. Chironji Lal Shivhare, in Maharajpura, Galior, who takes care of the day to day operations of the concern.

#### KEY FINANCIAL INDICATORS

| Key Financial Indicators | Unit      | FY17 Audited | FY18 Audited |
|--------------------------|-----------|--------------|--------------|
| Total Operating Income   | (in ₹ Cr) | 45.95        | 21.96        |
| EBITDA                   | (in ₹ Cr) | 2.67         | 2.25         |
| PAT                      | (in ₹ Cr) | 0.21         | 0.01         |
| Tangible Net Worth       | (in ₹ Cr) | 2.53         | 2.55         |
| Total debt/ TNW          | Times     | 10.44        | 10.75        |
| Current ratio            | Times     | 1.64         | 1.65         |

**KEY COVENANTS OF THE FACILITY RATED: NA**

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA**

#### **RATING HISTORY**

| Facilities     | Current Rating |                  |                                   | Rating History                                                    |           |           |
|----------------|----------------|------------------|-----------------------------------|-------------------------------------------------------------------|-----------|-----------|
|                | Tenure         | Amount<br>(₹ Cr) | Rating                            | Jan, 2018                                                         | 2017      | 2016      |
| Fund Based: CC | Long Term      | 15.00            | <b>BWR D</b><br>(Downgraded)      | <b>BWR B</b><br>(Pronounced as BWR B)<br><b>(Outlook: Stable)</b> | <b>NA</b> | <b>NA</b> |
| <b>Total</b>   |                | <b>15.00</b>     | <b>Rupees Fifteen Crores Only</b> |                                                                   |           |           |

#### **COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

#### **Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Manufacturing Companies](#)
- [Default recognition and curing period](#)

| <b>Analytical Contacts</b>                                                                                                                                                                                                                                                                | <b>Investor and Media Relations</b>                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Sushil Kumar Chitkara<br/>Associate Director - Ratings<br/>B : +91 22 2831 1426, +91 22 2831 1439<br/>sushilkumar.c@brickworkratings.com</p> <p>Saloni Singh<br/>Ratings Analyst<br/>D : +91 22 6745 6647 B : +91 22 2831 1426, +91 22 2831 1439<br/>saloni.s@brickworkratings.com</p> | <p>Satish Nair<br/>Director - Global Market Development &amp; Investor Relations<br/>M : +91 7738875550<br/>B : +91 22 6745 6666<br/><a href="mailto:investordesk@brickworkratings.com">investordesk@brickworkratings.com</a></p> |

## ANNEXURE I

### Details of Bank Facilities rated by BWR

| Sl. No.      | Name of the Bank    | Type of Facilities | Long Term (₹ Cr) | Short Term (₹ Cr) | Total (₹ Cr) |
|--------------|---------------------|--------------------|------------------|-------------------|--------------|
| 1.           | Punjab & Sindh Bank | CC                 | 15.00            | -                 | 15.00        |
| <b>TOTAL</b> |                     |                    |                  |                   | 15.00        |

**For print and digital media** The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

**About Brickwork Ratings** :Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

**DISCLAIMER** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons