



Press Release

Chemtrade Overseas Private Limited (COPL)

June 01, 2020

Rating

Instrument/Facility	Amount (INR Crore)	Current Ratings	Rating Action
Long Term Fund Based Limits	5.00	IVR BB/Stable; ISSUER NOT CO-OPERATING*; (IVR Double B with Stable outlook; ISSUER NOT COOPERATING)	Rating Revised from IVR BB+/Positive (IVR Double B Plus with Positive Outlook) and moved to ISSUER NOT COOPERATING Category
Short Term -Fund Based Facilities	20.00	IVR A4: ISSUER NOT CO-OPERATING*; (IVR A Four; ISSUER NOT COOPERATING)	Rating Revised from IVR A4 (IVR A Four) and moved to ISSUER NOT COOPERATING Category
Total	25.00		

*Issuer not cooperating, based on best available information

Details of facilities are in Annexure 1

Rating Rationale

The aforesaid rating revision of Chemtrade Overseas Private Limited continues to reflect lack of adequate information available about the performance of the company and 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 entity, despite the rating revision.

Note on non-cooperation



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Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated May 14th, 2020, May 19th, 2020, May 22nd, 2020 and May 25th, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the long term and short term rating for bank loan facilities of Chemtrade Overseas Private Limited aggregating to INR 25.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB/Stable Outlook/IVR A4 ISSUER NOT COOPERATING (pronounced IVR Double B with Stable Outlook /IVR A Four ISSUER NOT COOPERATING); based on best available information.

Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Analytical Approach & Applicable Criteria:

- Standalone
- Rating Methodology for Trading Companies
- Financial Ratios & Interpretation (Non-Financial Sector)
- Guidelines on what constitutes Non-Cooperation by clients

About the company

Chemtrade Overseas Private Limited (COPL) was incorporated in November 2007. Prior to that it was operating as a proprietorship since 1992. The day to day affairs of the entity are managed by Mr. Ashish Shah and Mr. Jatin Shah. They are second generation entrepreneurs with long term experience of working in the chemicals and solvents business. COPL is an importer, indenter and trader of specialty chemicals and solvents used by various industries like pharmaceuticals, petrochemicals, paints & coatings and others. The company imports and trades in bulk solvents like Methanol, Esitone, acrylate etc. The company has hired storage tanks at various ports for the same. The company has registered office at Mumbai.



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Financials (Standalone)

INR in Crore

For the year ended* / As on	31-03-18 (Audited)	31-03-19 (Audited)
Total Operating Income	645.33	792.20
EBITDA	6.16	5.40
PAT	2.39	1.41
Total Debt	4.38	15.46
Tangible Net worth	10.17	11.58
EBIDTA Margin (%)	0.95	0.68
PAT Margin (%)	0.37	0.18
Overall Gearing ratio	0.43	1.34

* Classification as per Infomerics' standards

Details of Non Co-operation with any other CRA:

ICRA Ratings in its press release published on May 15, 2020 has classified the case under Issuer Not Cooperating status on account of non-submission of relevant information

ACUITE Ratings in its press release published on April 27, 2020 has classified the case under Issuer Not Cooperating status on account of non-submission of relevant information

Any other information: N.A

Rating History for last three years:

Name of Instrument/ Facility	Current Rating (Year: 2020-21)			Rating History for the past 3 years		
	Type	Amount outstanding (INR Crore)	Rating	Rating assigned in 2019-20, (May 15, 2019)	Rating assigned in 2018-19	Rating assigned in 2017-18
Fund Based Limits – CC/OD	Long Term	5.00	IVR BB/Stable: Issuer Not	IVR BB+ /Positive Outlook	--	--



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			Co-operating			
Non- Fund Based Facilities LC	Short Term	20.00	IVR A4: Issuer Not Co-operating	IVR A4+	--	--
	Total	25.00				

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.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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



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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 Facilities

Sr. No.	Name of Facility	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
1	Cash Credit	--	--	--	5.00	IVR BB/Stable: ISSUER NOT CO- OPERATING
2	Letter of Credit	--	--	--	20.00	IVR A4: ISSUER NOT CO- OPERATING
Total					25.00	