



## Press Release

### Del Trade International Private Limited

May 07<sup>th</sup>, 2025

#### Rating

Sr. No.	Instrument/Facility	Amount (INR Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
1.	Long Term Bank Facilities	7.00	IVR BBB (Stable) [IVR triple B with stable outlook]	IVR BBB (Stable) [IVR triple B with stable outlook]	Reaffirmed	Simple
2.	Short Term Bank Facilities	9.00	IVR A3 (IVR A three)	IVR A3 (IVR A three)	Reaffirmed	Simple
3.	Long Term / Short Term Bank Facilities	154.00	IVR BBB (Stable); IVR A3 (IVR triple B with stable Outlook; IVR A three)	IVR BBB (Stable); IVR A3 (IVR triple B with stable Outlook; IVR A three)	Reaffirmed	Simple
Total		170.00	(Rupees one hundred and seventy crore only)			

Details of facilities are in Annexure 1

#### Rating Rationale

Infomerics Valuation and Rating Limited (IVR) has reaffirmed the long-term ratings to IVR BBB with a stable outlook and the short-term ratings to IVR A3 for the bank facilities of Del Trade International Private Limited (DTIPL).

The reaffirmation of ratings takes into consideration experienced management, established relationships with business partners coupled with moderate financial risk profile. The ratings further take into account the financial support from promoters in the form of unsecured loan subordinated to bank debt and improvement in scale of operations. However, these rating strengths are partially offset by exposure to regulatory risk in the pharmaceutical industry and



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intense competition. The rating also factors in the exposure to forex risk as the majority of raw material is imported.

The Stable outlook indicates a low likelihood of rating change over the medium term. Infomerics Ratings believes that DTIPL will continue to benefit on account of improved financial risk profile in FY24 and expected stable performance going forward.

IVR has principally relied on the standalone audited financial results of DTIPL up to 31 March 2024 and projected financials for FY2025 (refers to period April 1st, 2024, to Mar 31, 2025) - FY2027 (refers to period April 1st, 2026, to Mar 31, 2027), and publicly available information/clarifications provided by the company's management.

### **Key Rating Sensitivities:**

#### **Upward Rating Factor:**

- Sustained growth in scale of operations with improvement in profit margins leading to improvement in cash accruals and liquidity position on a sustained basis
- Sustained improvement in debt protection metrics, wherein, the specific credit metric will be DSCR remaining above 2x on a sustained basis.

#### **Downward Rating Factor:**

- Deterioration in the capital structure and/or withdrawal of unsecured loans amounting to Rs.10.45 crore (outstanding as on March 31, 2024, treated as quasi equity) and/or moderation in the capital structure.
- Any adverse regulatory changes, impacting the company.

### **Detailed Description of Key Rating Drivers**

#### **Key Rating Strengths: -**

##### **Established relationship with business partners**

DTIPL is the main distributor of Sinopharm Weiqida Pharmaceutical Co. Ltd, China and Korea Aluminium Company Limited, South Korea in India. Further, the company has developed healthy relationship with customers like Saitech Medicare Private Limited, Medicef Pharma, JM Laboratories Limited among others.



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### **Moderate financial risk profile**

The capital structure of the company remained comfortable as on the past three account closing dates. The overall gearing ratio and long-term debt equity ratio stood at 1.58x and 0.02x as on March 31, 2024, as against 1.03x and 0.03x as on March 31, 2023, on account of increase in tangible net worth. Debt protection metrics stood comfortable with Interest coverage ratio stood at 1.69x in FY24 as against 1.67x in FY23. DSCR Stood at 1.91x in FY24 as against 1.67x in FY23. Total debt to GCA stood at 9.15 years in FY24 as against 10.37 years in FY23.

### **Experienced management leading to secured financial support to the company**

DTIPL is led by an experienced team. Mr. Ramesh Gupta brings 17 years in a Nationalized Bank and corporate roles. His diverse experience benefits the company. The promoters and related parties have been supporting the business through unsecured loans which stood at Rs.10.45 crore as on March 31, 2024 (treated as quasi equity as it is subordinated to bank debt with Citi Bank). Apart from this, the unsubordinated unsecured loans from promoters and related parties stood at Rs. 15.75 crore, as on March 31, 2024.

### **Improvement in scale of operations**

DTIPL registered a CAGR of 28.92% in total operating income over the three years through FY21, mainly driven by steady improvement in sales of active pharmaceutical ingredients. Further, the TOI increased from Rs. 414.91 crore in FY23 to Rs. 501.92 crore in FY24, due to increase in sales volume of Potassium Clavulanate with Avicel / Syloid, Cefixime Trihydrate and Azithromycin. However, DTIPL achieved TOI of Rs. 523.57 crore in FY25. EBITDA increased to Rs. 12.70 crore in FY24 from Rs 9.45 crore in FY23. EBITDA margin increased by 25 bps from 2.28% in FY23 to 2.53% in FY24, due to increase in margins on traded goods. PAT increased from Rs 4.04 crore in FY23 to Rs 7.70 crore in FY24. PAT margin increased by 0.97% in FY23 to 1.52% in FY24, in line with EBITDA margin. The gross cash accruals increased from Rs.4.68 crore in FY23 to Rs. 7.97 crore in FY24.

### **Key Rating Weaknesses**

**Exposure to regulatory risk and intense competition**



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DTIPL, like other players in the pharmaceutical industry, remains exposed to high degree of regulations prevalent in the industry. Changes in the legal and regulatory environment such as price control on drugs, quality checks, changes in import duty, excise duty exemptions, changes in taxes etc. The company is exposed to intense competition in organized and unorganized pharmaceutical sector due to low product differentiation and large number of players.

### **Exposure to forex risk**

DTIPL is exposed to forex currency fluctuations as the company imports 60% of its APIs from China and packaging materials -Alu Alu foil from Korea and hedges by booking forward contracts of minimum 60-65% of the imports amount depending upon the economic conditions. The unhedged foreign currency exposure is Rs. 56.67 Crores as on 31<sup>st</sup> December'24. Profitability may get affected by volatility in forex rate.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Trading Companies](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

### **Liquidity: Adequate**

The company's liquidity is adequate marked by expectation of sufficient cushion in cash accruals against its debt repayments for the next 3 years. The company has current ratio of 1.26x as of March 31, 2024. The Unencumbered cash and bank balance of company stood at Rs. 0.89 Crores as on 31st March 2024. The average utilisation of fund-based limits stands moderate utilisation at 75.95% during the past 12 months ended March 2025. The operating cycle of the company decreased from 65 days in FY23 to 62 days in FY24 due to a decrease in the collection period from 122 days in FY23 to 116 days in FY24. Liquidity is further supported by financial support from promoters in the form of unsecured loans.



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### About the Company

Del Trade International Private Limited (DTIPL) was incorporated in 2010 and commenced its operations from 2011. The company is engaged in import of active pharmaceuticals ingredients (API's) and distribution to domestic companies and cold-formable pharmaceutical packaging materials -Alu Alu foil. DTIPL has headquarters in New Delhi. DTIPL is promoted by Mr Ramesh Gupta. Currently, the product profile of DTIPL includes around 40 types of API's – both domestic and imported and Alu Alu foil.

### Financials (Standalone): -

(In Rs. Crore)

For the year ended* As on	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	414.91	501.92
EBITDA	9.45	12.70
PAT	4.04	7.70
Total Debt	48.53	72.85
Tangible Net Worth	47.20	46.19
EBITDA Margin (%)	2.28	2.53
PAT Margin (%)	0.97	1.52
Overall Gearing Ratio (x)	1.03	1.58
Interest Coverage (x)	1.67	1.69

*\*Classification as per Infomerics' standards*

**Details of non-co-operation with any other CRA:** Vide press release dated July 31<sup>st</sup>, 2024; CARE Ratings Limited have kept the ratings under non-cooperation category on account of non-submission of relevant information.

Vide press release dated July 29<sup>th</sup>, 2024; Acuite Ratings Limited have kept the ratings under non-cooperation category on account of non-submission of relevant information

**Any other information: Not Applicable**

### Rating History for last three years:

Name of the Facility/ Instrument	Current Rating (Year: 2025-26)			Rating History for the past 3 years			
	Type	Amount	Rating	Date(s) & Rating(s) assigned	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22



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				in 2024-25			
		(INR Crore)	(May 07 <sup>th</sup> , 2025)	-	(March 01 <sup>st</sup> , 2024)	(January 02 <sup>nd</sup> , 2023)	(October 12, 2021)
Cash Credit	Long Term	7.00	IVR BBB / Stable	-	IVR BBB / Stable	IVR BBB / Stable	IVR BBB / Stable
Bank guarantee	Short term	9.00	IVR A3	-	IVR A3	IVR A3	IVR A3
Working Capital Facilities	Long Term / Short term	154.00	IVR BBB/Stable; IVR A3	-	IVR BBB/Stable; IVR A3	IVR BBB/Stable; IVR A3	IVR BBB/Stable; IVR A3

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### About Infomerics:

Infomerics Valuation and Rating 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 visit [www.infomerics.com](http://www.infomerics.com)



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**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.

### Annexure 1: Details of Facilities

(Rs. Crore)

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility	Rating Assigned/ Outlook
Cash credit	-	-	-	7.00*	IVR BBB / Stable
Bank Guarantee / Letter of Credit	-	-	-	9.00>	IVR A3
Usance Letter of credit	-	-	-	55.00**	IVR BBB / Stable; IVR A3
Long Term / Short-Term Working Capital Facilities	-	-	-	38.00#	IVR BBB / Stable; IVR A3
Long Term / Short-Term Working Capital Facilities	-	-	-	61.00^	IVR BBB / Stable; IVR A3

\*Sublimit of Rs. 7.00 crore as WCDL.

>Sublimit of Rs. 9.00 crore as letter of credit.

\*\*Sight Letter of credit of Rs. 55 Crore, Bill discounted of Rs. 35 crore, Cash Credit of Rs. 35 Crore, Buyer's credit of Rs. 35 Crore, Working capital demand loan of Rs. 33.50 Crore, Pre shipment finance Of Rs. 35 Crore, Post shipment finance of Rs. 35 Crore, bank Guarantee of Rs. 5 Crore is a Part of Long Term/Short-Term Working Capital Facilities of Rs. 55.00 Crore.

#Revolving CC of Rs. 60.00 crores, WCDL of Rs. 60.00 Crore and letter of credit of Rs. 38.00 Crore, Bank guarantee of Rs. 2.00 crore is part of Long Term/Short-Term Working Capital Facilities of Rs. 38.00 Crores.

^OD of Rs. 22.00 Crore, working capital Loan of Rs.15 Crore, Import Controlling Line, Non-Fund Based of Rs. 40.00 crore, Import/Buyer Facility: Import Documentary Credit facility - Import documentary credit Issuance of Rs. 40 crore, Import/Buyer Facility: Post shipment buyer loan - Loan Against Import (Nostro) of Rs. 33.00 Crore or USD equivalent, working capital term loan of



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*Rs. 0.20 crore and Import/ Buyer Facility: Trade Pay (Domestic) of Rs. 33.00 crore is a Part of Long Term/Short-Term Working Capital Facilities of Rs. 61.00 Crore.*

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable**

**Annexure 3: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/Len-Del-Trade-7may25.pdf>

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** 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](http://www.infomerics.com)