



Press Release

Chemi Tech Engineers Private Limited

May 29, 2024

Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	74.00	IVR BB-/ Negative ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook Issuer Not Cooperating)	Downgraded from IVR BB/ Negative ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook Issuer Not Cooperating) and continues in Issuer Not Cooperating category	Simple
Short Term Bank Facilities	(80.65)^	IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating)	Reaffirmed and continues in Issuer Not Cooperating category	Simple
Total	74.00 (INR seventy four crore only)			

**Issuer did not cooperate; based on best available information*

^ Sub limit of cash credit

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings downgrade is because of lack of adequate information regarding Chemi Tech Engineers Private Limited's (CTEPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the firm is commensurate with its ratings 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 company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities vide E-mail communications dated 7th Feb 2024, 22nd Feb 2024, 21st March 2024, 26th April 2024, 3rd May 2024, 6th May 2024, 7th



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May 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the ratings based on the best available information. Accordingly, the long-term and short-term ratings for the bank loan facilities aggregating to INR 74.00 crore shall continue in the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings be noted as IVR BB-/ Negative/ IVR A4 ISSUER NOT COOPERATING based on best available information (IVR Double B Minus with negative outlook and IVR A four Issuer Not Cooperating based on best available information).

Analytical Approach & Applicable Criteria: Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Trading Companies](#)

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

[Criteria of Rating Outlook](#)

[Default Recognition Policy](#)

About the Firm

Chemi Tech Engineers Private Limited (hereafter referred as "CTEPL") was set up as partnership firm in 1989 and was reconstituted as a private limited company in 1997. CTEPL is promoted by Mr. D. L. Gupta and Mr. N. K. Gupta. The company is engaged in trading of chemicals and chemical solvents, and acts as a dealer/ distributor.

Financials (Standalone)

(INR Crore)		
For the year ended* / As On	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	194.26	202.14
EBITDA	6.46	7.21
PAT	1.75	2.05



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Total Debt	38.86	7.64
Tangible Net worth	21.72	23.79
EBITDA Margin (%)	3.33	3.56
PAT Margin (%)	0.90	1.01
Overall Gearing Ratio (x)	1.79	0.32

* As per Infomerics Standard

Status of non-cooperation with previous CRA:

Brickwork Ratings has continued the rating of CTEPL in the Issuer Non-Cooperating category owing to information insufficiency and lack of management cooperation as per the Press Release dated February 06, 2024.

Any other information: Nil

Rating History for last three years:

Sr · N o.	Name of Instrument / Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (Apr 27, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22 (Feb 25, 2022)
1.	Cash Credit/ WCDL	Long Term	74.00	IVR BB-/ Negative ISSUER NOT COOPERA TING*	IVR BB/ Negative ISSUER NOT COOPERA TING*	-	IVR BB+/ Stable
2.	Letter of Credit	Short Term	(74.00)^	IVR A4 ISSUER NOT COOPERA TING*	IVR A4 ISSUER NOT COOPERA TING*	-	IVR A4+
3.	Bank Guarantee	Short Term	(6.65)^	IVR A4 ISSUER NOT COOPERA TING*	IVR A4 ISSUER NOT COOPERA TING*	-	IVR A4+

* Issuer did not cooperate; based on best available information

^Sub-limit of Cash Credit

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About Infomerics:

Infomerics Valuation and Rating Private 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.

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



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Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Cash Credit/ WCDL	-	-	-	74.00	IVR BB-/ Negative ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	(74.00)^	IVR A4 ISSUER NOT COOPERATING*
Bank Guarantee I	-	-	-	(5.00)^	IVR A4 ISSUER NOT COOPERATING*
Bank Guarantee II	-	-	-	(1.65)^	IVR A4 ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information*

^ Sub limits of Cash Credit

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

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