



Press Release

Chemi Tech Engineers Private Limited

April 27, 2023

Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facility	74.00	IVR BB/ Negative ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook Issuer Not Cooperating)	Revised from IVR BB+/ Stable (IVR Double B plus with stable outlook) and moved to Issuer Not Cooperating category	Simple
Short Term Bank Facilities	(80.65)^	IVR A4 ISSUER NOT COOPERATING* (IVR A four Issuer Not Cooperating)	Revised from IVR A4+ (IVR A four plus) and moved to Issuer Not Cooperating category	Simple
Total	74.00 (Rupees Seventy four crore only)			

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

^Sub limits

Details of Facilities are in Annexure 1

Detailed Rationale

The ratings revision is because of lack of adequate information regarding Chemi Tech Engineers Private Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company 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 company.

Non-cooperation by Issuer



Press Release

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facility, vide mail communications dated December 05, 2022, December 23, 2022, January 10, 2023, January 19, 2023, March 22, 2023, March 30, 2023, April 04, 2023, April 06, 2023, 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 rating based on the best available information. Accordingly, the long term ratings of the bank loan facility aggregating to INR 74.00 crore of Chemi Tech Engineers Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR BB/ Negative ISSUER NOT COOPERATING based on best available information (IVR Double B with negative outlook Issuer Not Cooperating based on best available information) and the short term ratings of the bank loan facilities aggregating to INR 80.65 crore (Sub limit of Cash Credit) shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR A4 ISSUER NOT COOPERATING based on best available information (IVR A four Issuer Not Cooperating based on best available information) of Chemi Tech Engineers Private Limited. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

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

About the Company



Press Release

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* / INR. Crore	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
Total Debt	38.86	7.64
Tangible Net Worth	21.72	23.79
Ratios		
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 revised and continued the rating of CTEPL into the Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups as per the Press Release dated January 05, 2023.

Any other information: Nil

Rating History for last three years:



Press Release

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22 February 25, 2022	Date(s) & Rating(s) assigned in 2020-21
1.	Cash Credit/ WCDL	Long Term	74.00	IVR BB/ Negative ISSUER NOT COOPERATING*	-	IVR BB+/ Stable	-
2.	Letter of Credit	Short Term	(74.00)^	IVR A4 ISSUER NOT COOPERATING*	-	IVR A4+	-
3.	Bank Guarantee I	Short Term	(5.00)^	IVR A4 ISSUER NOT COOPERATING*	-	IVR A4+	-
4.	Bank Guarantee II	Short Term	(1.65)^	IVR A4 ISSUER NOT COOPERATING*	-	IVR A4+	-

* Issuer did not cooperate; based on best available information

^Sub-limit of Cash Credit

Name and Contact Details of the Rating Analyst:

Name: Mr. Shahid Shah	Name: Mr. Sandeep Khaitan
Tel: (033) 4803 3621	Tel: (033) 4803 3621
Email: shahid.shah@infomerics.com	Email: sandeep.khaitan@infomerics.com

About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com



Press Release

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

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. 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-limit 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



Press Release

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

