



Press Release

Chowdhry Rubber and Chemical Private Limited

June 27, 2024

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	30.54	IVR BB-/Negative; ISSUER NOT COOPERATING* [IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING*]	IVR BB+/Negative; ISSUER NOT COOPERATING* [IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*]	Downgraded and continued under Issuer not Cooperating category	Simple
Short Term Bank Facilities	23.50	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; ISSUER NOT COOPERATING*)	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; ISSUER NOT COOPERATING*)	Downgraded and continued under Issuer not Cooperating category	Simple
Total	54.04	(Rupees Fifty-Four Crore and Four Lakh only)			

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

Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Ratings

The rating has been downgraded and continued under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

Detailed Rationale

The aforesaid rating downgrade to the bank facilities of Chowdhry Rubber and Chemical Private Limited reflects lack of adequate information available about the performance of the company and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

IVR has rated the bank loan facilities of Chowdhry Rubber and Chemical Private Limited in May 2023. Despite close follow up through telephone calls and mails dated May 31st, 2024, June 4th, 2024, June 5th, 2024, June 6th, 2024, June 7th, 2024, June 10th, 2024, and



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concurrently over multiple phone calls for submission of required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, IVR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. 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. Based upon the same IVR has downgraded the rating to IVR BB-/Negative/ ISSUER NOT COOPERATING and IVR A4/ ISSUER NOT COOPERATING for the bank facilities of Chowdhry Rubber and Chemical Private Limited.

Non-Cooperation by Issuer:

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, IVR has to assign the rating based on the best available information. Accordingly, the bank loan facilities of Chowdhry Rubber and Chemical Private Limited, aggregating to Rs 54.04 crore have been continued under 'ISSUER NOT COOPERATING' category. The rating for long term facilities to be noted as IVR BB-/Negative; ISSUER NOT COOPERATING and rating for short term facility will be noted as IVR A4; ISSUER NOT COOPERATING based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Trading Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

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

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

[Policy on issuer not cooperating](#)

Liquidity: Unable to comment due to lack of adequate information

About the Company

Chowdhry Rubber & Chemical Private Limited (CRCPL) was founded in 1952 by Late Sr. V.M. Chaddha. later Mr. Deepak Chaddha, pioneered the growth of the company. CRCPL is in



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trading line and is a full-line chemical distributor. They are the distributors and dealers of various Rubber Chemicals, Carbon, Pigments and Specialty Chemicals. Their head office is at Delhi and Branches located at New Delhi, Bahadurgarh (Haryana), Faridabad (Haryana), & Ghaziabad (Western UP), Bhiwadi (Rajasthan), Aluva (Kerala), Chennai (Tamil Nadu), Bangalore (Karnataka).

Financials (Standalone): Latest financials are not available.

(Rs. Crore)

For the year ended* / Rs. Crore	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	157.66	170.69
EBITDA	6.12	6.72
PAT	2.21	2.39
Total Debt	29.71	29.34
Tangible Net Worth	21.74	23.89
Ratios		
EBITDA Margin (%)	3.88	3.94
PAT Margin (%)	1.40	1.40
Overall Gearing Ratio (x)	1.37	1.23
Interest Coverage	2.08	2.27

*Classification as per Infomerics` Standard

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (May 1, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-2022 (17 March 2022)
1.	Long Term Fund Based Limits	Long Term	30.54	IVR BB-/Negative (ISSUER NOT COOPERATING*)	IVR BB+/Negative (ISSUER NOT COOPERATING*)	-	IVR BBB-/Stable
2.	Short Term Fund Based Limits	Short Term	23.50	IVR A4 (ISSUER NOT COOPERATING*)	IVR A4+ (ISSUER NOT COOPERATING*)	-	IVR A3



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

Analytical Contacts:

Name: Vipin Jindal

Tel: (011) 45579024

Email: vipin.jindal@infomerics.com

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 and definition of ratings please visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
GECL	-	-	Sep 2024	2.79	IVR BB-; Negative/ INC*
GECL Extension	-	-	Nov 2026	2.85	IVR BB-; Negative/ INC*
BBG TL	-	-	Dec 2025	0.90	IVR BB-; Negative/ INC*
OCC/ODBD	-	-	-	19.00	IVR BB-; Negative/ INC*
Cash Credit	-	-	-	5.00	IVR BB-; Negative/ INC*
ILC/FLC	-	-	-	17.00	IVR A4/ INC*
Letter of Credit	-	-	-	5.00	IVR A4/ INC*
Bank Guarantee	-	-	-	1.50	IVR A4/ INC*

* Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Available

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: 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.