



## Press Release

### Shubham Chemicals and Solvents Limited

February 27, 2024

#### Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Previous Ratings	Current Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	13.00	IVR BBB /Stable (IVR Triple B with Stable outlook)	IVR BBB-/ Negative Outlook; ISSUER NOT COOPERATING [IVR Triple B Minus with Negative Outlook; Issuer Not Cooperating*]	Downgraded and migrated to ISSUER NOT COOPERATING*	Simple
Short Term Bank Facilities	167.50	IVR A3+ (IVR A Three Plus)	IVR A3; ISSUER NOT COOPERATING [IVR A Three; Issuer Not Cooperating*]	Downgraded and migrated to ISSUER NOT COOPERATING*	Simple
<b>Total</b>	<b>180.50</b>				

\*Issuer not cooperating; Based on best available information

\*\*Details of Facilities are in Annexure 1

#### Ratings

The rating has been downgraded and migrated to '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 Shubham Chemicals and Solvents Limited reflects lack of adequate information available about the performance of the company/entity and 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.



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IVR had rated the bank loan facilities of Shubham Chemicals and Solvents Limited in January 2023. Despite close follow up through telephone calls and mails dated December 06, 2023, December 19, 2023, December 28, 2023, January 1, 2024, January 15, 2024, January 22, 2024, January 25, 2024 and concurrently over several 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 and migrated the rating to IVR BBB-/Negative/ISSUER NOT COOPERATING for long term bank facilities and IVR A3 / ISSUER NOT COOPERATING for short term bank facilities of Shubham Chemicals and Solvents Limited.

### **Non-Cooperation by Issuer:**

Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, IVR has to assign the rating based on the best available information. Accordingly, the long-term bank loan facilities of Shubham Chemicals and Solvents Limited, aggregating to Rs 13.00 crore have been migrated to the 'ISSUER NOT COOPERATING' category by IVR and the rating for long term be noted as IVR BBB-/Negative; ISSUER NOT COOPERATING; and short-term bank loan facilities of Shubham Chemicals and Solvents Limited, aggregating to Rs 167.50 crore have been migrated to the 'ISSUER NOT COOPERATING' category by IVR and the rating for short term be noted as IVR A3; ISSUER NOT COOPERATING based on best available information.

### **Analytical Approach: Standalone**

### **Applicable Criteria:**

[Rating Methodology for Trading Companies](#)

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

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

[Criteria for assigning rating outlook](#)



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### About the Company

Shubham Chemicals and Solvents limited (SCSL) was established in 1989 as sole proprietorship firm and was converted into Public Limited company in 2001. SCSL is one of the leading industrial chemicals import and distribution company in India. SCSL operates pan India with its network across Gujarat, Maharashtra and Haryana. Company procures industrial chemicals from international and domestic markets and cater to industries including plywood and laminates, paints and coatings, rubber processing, plastics and packaging etc.

### Financials (Standalone):

	(INR. Crore)	
For the year ended / As on	31-03-2022	31-03-2023
	(Audited)	(Audited)*
Total Operating Income	955.11	1137.60
EBITDA	21.01	7.48
PAT	11.32	4.20
Total Debt	145.33	24.03
Tangible Net worth	42.23	46.40
EBIDTA Margin (%)	2.20	0.66
PAT Margin (%)	1.18	0.37
Overall Gearing Ratio (x)	3.68	0.52

*\*Data available via public sources*

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: Not Applicable**

**Rating History for last three years:**



## Press Release

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2023-24)				Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (January 11, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-2020
1.	Long Term Bank Facilities	Long Term	13.00	IVR BBB-/Negative; ISSUER NOT COOPERATING	IVR BBB/Stable	-	-	-
2.	Short Term Bank Facilities	Short Term	167.50	IVR A3; ISSUER NOT COOPERATING	IVR A3+	-	-	-

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



## Press Release

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### 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](http://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.



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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
Long Term Bank Facilities – Cash Credit	--	--	--	13.00	IVR BBB-/Negative; ISSUER NOT COOPERATING* [IVR Triple B Minus with Negative Outlook; Issuer Not Cooperating*]
Short Term Bank Facilities – Letter of Credit	--	--	--	167.50	IVR A3; ISSUER NOT COOPERATING* [IVR A Three; Issuer Not Cooperating*]

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

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

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-ShubhamChemical-feb24.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).