

## Chemtrols Industries Private Limited

August 30, 2024

Facilities	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	130.79	CARE D	Revised from CARE B; Stable
Short Term Bank Facilities	169.21	CARE D	Revised from CARE A4

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Chemtrols Industries Private Limited (CIPL) takes into account ongoing delay/overdrawal in working capital limits.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Establishing a delay/overdrawal free track record in debt servicing for at least 90 days.

**Analytical approach:** Standalone

### Detailed description of the key rating drivers:

#### Key weaknesses

##### Ongoing delay in debt servicing:

As per the bank statement provided by the client, there were multiple instances of overdrawals in the Cash Credit (CC) account with the latest overdrawal from July 20, 2024, which is still not regularised as on August 28, 2024, resulting in continued overdrawals of more than 30 days. There was invocation of Bank Guarantee (BG) of Rs. 30 crore dated July 20, 2024, which was debited from the CC account. The same was confirmed by the lender as well. The company reported sales of Rs. 96.03 crore during 10MFY24 compared to Rs. 165.36 crore in FY23.

#### Liquidity: Poor

The company has poor liquidity marked by overdrawals in working capital limits. The fund-based limits remained fully utilised with instances of overdrawals.

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Policy On Curing Period](#)

[Short Term Instruments](#)

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

## About the company and industry

### Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Manufacturing	Industrial Products

Chemtrols Industries Private Limited (formerly known as Chemtrols Industries Limited) was initially founded as a proprietorship concern by Mr. K. Nandakumar. The company offers solutions in five segments of the chemical process and energy sector, which are process analytics, process measurements, process automation, steam conditioning, and electricity energy (utility) management/supervisory control and data acquisition (SCADA) systems. These products cater to a wide range of industries including oil and gas, petrochemicals, chemicals, power, fertilizers, steel, pulp, paper, and cement.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	10MFY24 (UA)
Total operating income	54.60	165.36	96.03
PBILDT	11.21	25.26	NA
PAT	-33.72	12.25	NA
Overall gearing (times)	24.67	6.56	NA
Interest coverage (times)	0.40	1.01	NA

A: Audited UA: Unaudited NA: Not Available; Note: 'the above results are latest financial results available'

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

**Any other information:** Not applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based-Working capital facilities		-	-	-	129.08	CARE D
Fund-based-Working capital facilities		-	-	-	1.71	CARE D
Non-fund-based-Short Term		-	-	-	169.21	CARE D

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based-Working capital facilities	LT	129.08	CARE D	-	1)CARE B; Stable (19-Jun-23)	-	-
2	Non-fund-based-Short Term	ST	169.21	CARE D	-	1)CARE A4 (19-Jun-23)	-	-
3	Fund-based-Working capital facilities	LT	1.71	CARE D	-	1)CARE B; Stable (19-Jun-23)	-	-

LT: Long term; ST: Short term;

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities-Not applicable****Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Working capital facilities	Simple
2	Non-fund-based-Short Term	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

## Contact us

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