

T. R. Chemicals Limited
January 31, 2019

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	16.40	CARE D (Single D)	Assigned
Short-term Bank Facilities	1.00		
Total	17.40 (Rs. Seventeen Crore and Forty Lakh Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities of T. R. Chemicals Limited is constrained by delays in the past. However, the account was regularized from January 01, 2019.

The ability of the company to service its debt obligation on time on a regular basis is the key rating sensitivity.

Detailed description of the key rating drivers**Key Rating Weaknesses*****Delays in the past***

There were delays in the account in the past. However, the same got regularized from January 01, 2019.

Analytical approach: Standalone

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios – Non-Financial Sector](#)

[Rating methodology – Steel companies](#)

About the Company

T. R. Chemicals Limited was incorporated in May 1993 as a Private Limited Company. Subsequently, it was reconstituted as a closely held Public Limited Company. Since its inception, the company is engaged in manufacturing of sponge iron. The manufacturing unit of the company is located at Rajgangpur, Sundargarh, Odisha. Company's plant has an installed capacity of 45000 tons per annum (TPA). Mr. Sanjeev Kumar Kapoor (Director), Mr. Gurdas Kapoor (Director), Mr. Sunil Kumar Agarwal (Director) and Mr. Swapan Kumar Kapat (Directors) who have 21 years, 21 years, 16 years and 11 years of experiences, respectively, in the similar line of business, look after the day to day operation of the company. They are further supported by a team of experienced professionals.

Liquidity

There were delays in the account in recent past.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	38.36	62.30
PBILDT	-0.70	6.76
PAT	-2.36	0.36
Overall gearing (times)	NM*	NM*
Interest coverage (times)	NM*	1.19

A: Audited

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

Any other information: Not applicable.

Rating History (Last three years): Please refer Annexure-2

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Analyst Contact:

Name: Soumen Das

Tel: 033-40581907

Mobile: +91- 9830587029

Email: soumen.das@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	9.00	CARE D
Fund-based - LT-Term Loan	-	-	September 2023	7.40	CARE D
Non-fund-based - ST-Bank Guarantees	-	-	-	0.50	CARE D
Non-fund-based - ST-Letter of credit	-	-	-	0.50	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Cash Credit	LT	9.00	CARE D	-	-	-	-
2.	Fund-based - LT-Term Loan	LT	7.40	CARE D	-	-	-	-
3.	Non-fund-based - ST-Bank Guarantees	ST	0.50	CARE D	-	-	-	-
4.	Non-fund-based - ST-Letter of credit	ST	0.50	CARE D	-	-	-	-

CONTACT

Head Office Mumbai

Ms. Meenal Sikchi

Cell: + 91 98190 09839

 E-mail: meenal.sikchi@careratings.com
Ms. Rashmi Narvankar

Cell: + 91 99675 70636

 E-mail: rashmi.narvankar@careratings.com
Mr. Ankur Sachdeva

Cell: + 91 98196 98985

 E-mail: ankur.sachdeva@careratings.com
Mr. Saikat Roy

Cell: + 91 98209 98779

 E-mail: saikat.roy@careratings.com

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Ltd.)

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

 Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD

Mr. Deepak Prajapati

 32, Titanium, Prahaladnagar Corporate Road,
 Satellite, Ahmedabad - 380 015

Cell: +91-9099028864

Tel: +91-79-4026 5656

 E-mail: deepak.prajapati@careratings.com

BENGALURU

Mr. V Pradeep Kumar

 Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
 No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91 98407 54521

Tel: +91-80-4115 0445, 4165 4529

 Email: pradeep.kumar@careratings.com

CHANDIGARH

Mr. Anand Jha

SCF No. 54-55,

 First Floor, Phase 11,
 Sector 65, Mohali - 160062

Chandigarh

Cell: +91 85111-53511/99251-42264

Tel: +91- 0172-490-4000/01

 Email: anand.jha@careratings.com

CHENNAI

Mr. V Pradeep Kumar

 Unit No. O-509/C, Spencer Plaza, 5th Floor,
 No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

 Email: pradeep.kumar@careratings.com

COIMBATORE

Mr. V Pradeep Kumar

T-3, 3rd Floor, Manchester Square

Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

 Email: pradeep.kumar@careratings.com

HYDERABAD

Mr. Ramesh Bob

 401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
 Hyderabad - 500 029.

Cell : + 91 90520 00521

Tel: +91-40-4010 2030

 E-mail: ramesh.bob@careratings.com

JAIPUR

Mr. Nikhil Soni

 304, Pashupati Akshat Heights, Plot No. D-91,
 Madho Singh Road, Near Collectorate Circle,
 Bani Park, Jaipur - 302 016.

Cell: +91 – 95490 33222

Tel: +91-141-402 0213 / 14

 E-mail: nikhil.soni@careratings.com

KOLKATA

Ms. Priti Agarwal

 3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
 10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

 E-mail: priti.agarwal@careratings.com

NEW DELHI

Ms. Swati Agrawal

 13th Floor, E-1 Block, Videocon Tower,
 Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

 E-mail: swati.agrawal@careratings.com

PUNE

Mr. Pratim Banerjee

 9th Floor, Pride Kumar Senate,
 Plot No. 970, Bhamburda, Senapati Bapat Road,
 Shivaji Nagar, Pune - 411 015.

Cell: +91-98361 07331

Tel: +91-20- 4000 9000

 E-mail: pratim.banerjee@careratings.com

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