

T. R. Chemicals Limited
February 28, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	16.40	CARE D; ISSUER NOT COOPERATING* (Single D; Issuer Not Cooperating)	Issuer not cooperating; based on best available information
Short-term Bank Facilities	1.00	CARE D; ISSUER NOT COOPERATING* (Single D; Issuer Not Cooperating)	Issuer not cooperating; based on best available information
Total	17.40 (Rupees Seventeen crore and Forty Lakh only)		

Details of instruments/facilities in Annexure-I

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from T. R. Chemicals Limited to monitor the rating vide letters/e-mails communications dated November 01, 2019, November 28, 2019, February 21, 2020 and numerous phone calls. However, despite our repeated requests, the entity has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at fair ratings. The rating on T. R. Chemicals Limited's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***. Further, the banker could not be contacted.

Users of these rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating assigned to the bank facilities of T. R. Chemicals Limited is constrained by delays in the past.

Detailed Rationale & Key Rating Drivers**Key Rating Weaknesses*****Delays in the past***

There were instances of delays in the account in the past.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

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

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

[Rating methodology – Steel companies](#)

[Criteria for Short Term Instruments](#)

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.

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

*Issuer did not cooperate; based on best available information

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	62.30	81.77
PBILDT	6.76	8.40
PAT	0.36	1.59
Overall gearing (times)	NM*	NM*
Interest coverage (times)	1.19	3.54

A: Audited, NM*= Not meaningful

Status of non-cooperation with previous CRA: Issuer Not cooperating from CRISIL as per press release dated January 30, 2018.

Any other information: Not Applicable.

Rating History for last three years: Please refer Annexure-2

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; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	September 2023	7.40	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	0.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Letter of credit	-	-	-	0.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	9.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D (31-Jan-19)	-	-
2.	Fund-based - LT-Term Loan	LT	7.40	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D (31-Jan-19)	-	-
3.	Non-fund-based - ST-Bank Guarantees	ST	0.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D (31-Jan-19)	-	-
4.	Non-fund-based - ST-Letter of credit	ST	0.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D (31-Jan-19)	-	-

Note on complexity levels of the rated instrument: 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.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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