

ZH Chemicals Private Limited: Assigned

Facilities	Amount (Rs Crore)	Ratings/Outlook
Cash Credit	2.40	SMERA D (Assigned)
Term Loan I	3.60	SMERA D (Assigned)
Term Loan II	1.16	SMERA D (Assigned)

SMERA has assigned rating of '**SMERA D**' (**read as SMERA D**) to the above mentioned Rs.7.16 crore bank facilities of ZH Chemicals Private Limited (ZH Chemicals).

The rating is constrained by the delay in debt servicing by the company due to a weak liquidity profile. However, the rating draws support from the experienced management.

ZH Chemicals, established to manufacture iodine commenced commercial operations in July 2016, almost after a delay of one year.

The company is headed by Mr. Champak Parekh, Director who possesses experience of over two decades in the industry.

Rating Sensitivity Factors

- Timely repayment of debt
- Scaling up operations while maintaining profit margins

Criteria for arriving at the rating:

- Default recognition
- Manufacturing entities

About the Company

ZH Chemicals, (a subsidiary of Samrat Remedies Limited), is engaged in the manufacture of iodine, raw material used to manufacture iodine derivatives by SRL. The company has an installed capacity of 120 MT per annum and in the first month of operations produced ~2.60 MT of iodine.

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ABOUT SMERA

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