

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.

Contacts:

Analytical	Business Development
Mr. Mohit Jain Vice President – Ratings Operations, Tel: +91-22-6714 1105 Cell: 9619911017 Email: mohit.jain@smera.in	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: suman.m@smera.in

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smera.in.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.