

Press Release

09 March, 2017

Jupiter Dyechem Private Limited

Rating Reaffirmed

Total Bank Facilities Rated *	Rs.386.00
Short Term Rating	SMERA A2

**Refer Annexure for details*

Rating Rationale

SMERA has reaffirmed short term rating of '**SMERA A2**' (read as **SMERA A two**) on the Rs. 386.00 crore bank facilities of Jupiter Dyechem Private Limited. The outlook is '**Stable**'.

Jupiter Dyechem Private Limited (JDCPL), incorporated in 1977 is a Mumbai-based company promoted by Mr. Ashok Chokhani and Mr. Ramesh Chokhani. The company imports petrochemicals, solvents, glycols among others from Middle East, South East, and Far East, USA and sells the same in the domestic market.

Key Rating Drivers

Strengths

- **Long track record of operations and experienced promoters**

The management is led by Mr. Nimesh Chokhani (son of Mr. Ramesh Chokhani) who has over 10 years of experience in the trading of chemicals.

- **Healthy revenue growth**

The compounded annual growth (CAGR) stood at 21 per cent from FY2013 to FY2016.

- **Moderate financial risk profile**

The financial risk profile of JDCPL is moderate with healthy TOL/TNW as on 31 March 2016. The company registered growth of 80.5 per cent in tangible net worth from 31 March 2013 to 31 March 2016 and healthy interest coverage ratio (ICR).

Weaknesses

- **Foreign exchange fluctuation risk**

The company is exposed to foreign exchange fluctuation risk and uses forward contracts to significantly mitigate the risk.

- **Low profitability**

JDCPL is engaged in the import of petrochemicals and solvents which has low trading margins. However, the net profit has shown an increasing trend over the years on account of increased business volumes.

Analytical Approach

SMERA has considered the standalone financial and business risk profiles of the company.

About the Rated Entity - Key Financials

For FY2015-16, JDCPL registered profit after tax (PAT) of Rs.14.82 cr on operating income of Rs.1,264.12 cr as compared to profit after tax of Rs.12.84 cr on operating income of Rs.1,176.94 cr in FY2014-15. The net worth stood at Rs.90.33 cr as on 31 March 2016 as compared to Rs.75.58 cr as on 31, March 2015.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Trading Entities - <https://www.smera.in/criteria-trading.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
02-Nov-2015	Letter of Credit	Short Term	INR 385	SMERA A2
	Cheque Purchase	Short Term	INR 0.25	SMERA A2
	WAE	Short Term	INR 0.2	SMERA A2
	Proposed Short Term Facilities	Short Term	INR 0.55	SMERA A2

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Bills Discounting	Not Applicable	Not Applicable	Not Applicable	0.25	SMERA A2
WAE	Not Applicable	Not Applicable	Not Applicable	0.20	SMERA A2
Letter of credit	Not Applicable	Not Applicable	Not Applicable	385.00	SMERA A2
Proposed	Not Applicable	Not Applicable	Not Applicable	0.55	SMERA A2

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ABOUT SMERA

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