

Press Release
Hema Dyechem Private Limited (HDPL)

July 31, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 12.50 Cr. #
Long Term Rating (Indicative)	ACUITE BBB- Issuer not co-operating*
Short Term Rating (Indicative)	ACUITE A3 Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Rating Rationale

Acuité has reviewed long-term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short term rating of '**ACUITE A3**' (**read as ACUITE A three**) on the Rs.12.50 crore bank facilities of Hema Dyechem Private limited (HDPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria:

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

HDPL, promoted by Mr Anil Merchant, was established in 1975 as a partnership concern as Hema Chemical Co. which was subsequently converted into a private limited company in 2003. HDPL is engaged in the manufacturing of benzene based chemical intermediaries which finds application in the paint industry. HDPL's manufacturing unit is located in Vapi (Gujarat) which has an installed capacity of 2340 Metric Tonne Per Annum (MTPA) as on March 31, 2015. HDPL's sales and distribution office is located at Mumbai (Maharashtra) and mainly exports its products to European countries wherein exports formed 70 percent of net sales for FY2016.

For FY2015-16, the company registered profit after tax (PAT) of Rs.6.54 crore on operating income of Rs.50.76 crore as against PAT of Rs.4.15 crore on operating income of Rs.41.99 crore in the previous year. The net worth stood at Rs.23.56 crore as on 31 March, 2016 compared to Rs.17.02 crore as on 31 March, 2015.

Any other information: "Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups".

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
23-Jun-2017	Cash Credit	Long Term	10.00	ACUITE BBB-/Stable (Assigned)
	Proposed Long Term	Long Term	0.30	ACUITE BBB-/Stable (Assigned)
	Letter of Credit	Short Term	2.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	0.20	ACUITE A3 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BBB- Issuer not co-operating*
Proposed Long Term	Not Applicable	Not Applicable	Not Applicable	0.30	ACUITE BBB- Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A3 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.20	ACUITE A3 Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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