

Press Release

Hema Dyechem Private Limited

December 13, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 12.50 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

Refer Annexure for details

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

Acuité has downgraded the long term rating of Hema Dyechem Private Limited (HDPL) to '**ACUITE BB+** (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating to '**ACUITE A4+** (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

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 into 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). HDPL's sales and distribution office is located at Mumbai and mainly exports its products to European countries.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities -<https://www.acuite.in/view-rating-criteria-59.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 endeavored 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 - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
29-Oct-2019	Cash Credit	Long Term	10.00	ACUITE BBB- (Indicative)
	Proposed Long Term Loan	Long Term	0.30	ACUITE BBB- (Indicative)
	Letter of Credit	Short Term	2.00	ACUITE A3 (Indicative)
	Bank Guarantee	Short Term	0.20	ACUITE A3 (Indicative)
31-July-2018	Cash Credit	Long Term	10.00	ACUITE BBB- (Indicative)
	Proposed Long Term Loan	Long Term	0.30	ACUITE BBB- (Indicative)
	Letter of Credit	Short Term	2.00	ACUITE A3 (Indicative)
	Bank Guarantee	Short Term	0.20	ACUITE A3 (Indicative)
23-Jun-2017	Cash Credit	Long Term	10.00	ACUITE BBB- (Assigned)
	Proposed Long Term Loan	Long Term	0.30	ACUITE BBB- (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.Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.30	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.20	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

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

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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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