

Press Release

Chemi Enterprises LLP

September 17, 2020



Rating Update

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|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs. 23.00 Cr. # |
| Long Term Rating | ACUITE B+ (Downgraded from ACUITE BB/Stable; Issuer not co-operating*) |
| Short Term Rating | ACUITE A4 (Downgraded from ACUITE A4+; Issuer not co-operating*) |

Refer Annexure for details

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

Acuité has reviewed and downgraded the long term rating to '**ACUITE B+** (read as **ACUITE B plus**) from '**ACUITE BB**' (read as **ACUITE double B**) and the short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.23.00 crore bank facilities of Chemi Enterprises LLP(CELP).

This rating is downgraded on account of information risk and non-submission of relevant information sought from the company for review of ratings. The rating is now an indicative rating and is based on the best available information.

CELP was established as a limited liability partnership firm in 2016, to take over the running business of Chemi Enterprises (CE), a proprietorship concern established in 1983 by Mr. Bipin Joshi. CELP is engaged in trading of chemicals which finds application in industries including paints, plastic, rubber, pharmaceuticals and construction, among others. Presently, the day to day operations of CELP is handled by Mr. Bipin Joshi and his son, Mr. Vikas Joshi. The firm procures around 80 percent of its raw material from the overseas market including China and Europe while the remaining 20 percent is procured from domestic suppliers. The firm caters directly to end-users in the domestic market.

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 the 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/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 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 - 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

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. Cr.) | Ratings/Outlook |
|--------------|---------------------------------|------------|------------------|--|
| 10-July-2019 | Cash Credit | Long Term | 8.00* | ACUITE BB/ Stable (Downgraded from BB+/Stable) |
| | Letter of Credit | Short Term | 15.00^ | ACUITE A4+ (Reaffirmed) |
| 08-May-2018 | Cash Credit | Long Term | 8.00 | ACUITE BB+/ Stable (Assigned) |
| | Letter of Credit | Short Term | 15.00 | ACUITE A4+ (Assigned) |

*Cash Credit includes one way interchangeability of Import Letter of credit and Buyer's credit.

^Letter of Credit includes one way interchangeability of Letter of credit and Buyer's credit.

#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 | 8.00** | ACUITE B+ (Downgraded, Issuer not co-operating*) |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 15.00^ | ACUITE A4 (Downgraded, Issuer not co-operating*) |

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

**Cash Credit includes one way interchangeability of Import Letter of credit and Buyer's credit.

^Letter of Credit includes one way interchangeability of Letter of credit and Buyer's credit.

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,000 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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