

Press Release

Shiv Texchem Private Limited

June 24, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	137.40	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	35.10	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	172.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating from '**ACUITE BBB**' (read as ACUITE triple B) to '**ACUITE BB+**' (read as ACUITE double B plus) on the Rs.137.40 Cr. bank facilities and short term rating from '**ACUITE A3+**' (read as ACUITE A three plus) to '**ACUITE A4+**' (read as ACUITE A four plus) on the Rs. 35.10 Cr bank facilities of Shiv Texchem Private Limited (STPL). The rating is flagged as "Issuer not cooperating" and is based on the best available information.

About the Company

Shiv Texchem Private Limited is a Maharashtra based company incorporated in the year 2005. The company is promoted and managed by Mr. ShyamSundar Chokhani, Mr. Hemanshu Chokhani and Mr. Vikas Pavankumar. From the year 1995, the company has been engaged as a bulk chemical distributor under a proprietorship firm. However, later in the year 2005, the constitution of the company was changed into private limited. The company operates in Pan India basis thus mitigating any instance of geographical concentration risk. The company currently trades in chemicals like sulphuric acid, acetone, phenol, oleum, alkalis, methanol, IPA and other related chemicals to name a few. The company is a dealer for Birla Copper for Sulphuric Acid and presently is the largest distributor of sulphuric acid in India. The company is also a dealer for Deepak Phenolics & HOCL for phenol, acetone, IPA, etc. Further, they are also dealer for Grasim, Shriram Alkali, Meghmani, Nirma and Kutch Chemical Industries for Chloro Alkali Products among others. For import of bulk chemicals, the company has tied up with various large chemical suppliers, including but not limited to Vinmar Overseas, Tricon, QatarPetrochem, etc

Non-cooperation by the issuer/borrower

Acuite 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. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials:

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

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 May 2021	Bank Guarantee	Short Term	7.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Long Term	66.19	ACUITE BBB Stable (Assigned)
	Letter of Credit	Short Term	28.10	ACUITE A3+ (Assigned)
	Channel Financing	Long Term	7.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	22.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	2.21	ACUITE BBB Stable (Assigned)
	Secured Overdraft	Long Term	10.00	ACUITE BBB Stable (Assigned)

	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Assigned)
19 Apr 2021	Cash Credit	Long Term	4.50	ACUITE BBB Stable (Assigned)
	Channel Financing	Long Term	7.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee	Short Term	1.00	ACUITE A3+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	22.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
ICICI Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Axis Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Yes Bank Ltd	Not Applicable	Channel/Dealer/Vendor Financing	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
HDFC Bank Ltd	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	28.10	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
HSBC	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ Downgraded Issuer not co-

							operating* (from ACUITE BBB-)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	66.19	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	8.25	Not available	2.21	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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