



Press Release
CHEMTROLS SAMIL INDIA PRIVATE LIMITED
June 27, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.50	ACUITE B Stable Assigned	-
Bank Loan Ratings	6.50	-	ACUITE A4 Assigned
Total Outstanding Quantum (Rs. Cr)	15.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned its long-term rating of '**ACUITE B**' (read as **ACUITE Ba**) and short-term rating of '**ACUITE A4**' (read as **ACUITE A Four**) on Rs. 15.00 Cr. bank facilities of Chemtrols Samil India Private Limited (CSIPL). The outlook is '**Stable**'

Rationale for Rating Assigned

The rating recommendation takes into account the company's average financial risk profile, intensive nature of working capital operations and stretched liquidity position, as evident by high bank limit utilisations for the company. Further, the rating also considers the stable revenue and operating margins for the company in the recent years. However, the company benefits to some extent from the extensive experience of the promoters for more than 2 decades in the industry.

About the Company

Established in 2001, Chemtrols Samil India Private Limited (CSIPL) began as a joint venture between the Chemtrols Group of India and Samil Industry Company Ltd (SICL), Korea. Later in 2003, after a successful technology transfer from SICL, CSIPL started operating as an independent entity. The company is engaged in the manufacturing of industrial components such as level gauges, level switches, valves, spray nozzles, and systems for gas conditioning and dust suppression. Its manufacturing unit is located in Ambarnath, Maharashtra.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of CSIPL to arrive at the rating.

Key Rating Drivers

Strengths

Extensive experience of the promoter

Incorporated in 2001, CSIPL is into manufacturing of industrial components such as level gauges, level switches,

valves, spray nozzles, and systems for gas conditioning and dust suppression. The promoters of the company have been engaged for more than two decades in this industry. The extensive experience of the promoters has helped in establishing healthy relationships with its customers and suppliers over the years. Acuité believes that the company will benefit from the extensive experience of the promoters.

Weaknesses

Modest scale of operations

CSIPL's revenue improved and stood at Rs.23.17 Cr. in FY2025 (Prov.) from Rs.22.96 Cr. in FY2024. Further, the operating profit margins of the company declined to 9.45 percent in FY2025 (Prov) against 10.05 percent in FY2024 and 7.81 percent in FY2023 on account of a slight increase in raw material cost for the company. The PAT margin stood at 2.62 percent in FY2025 (Prov.) against 2.50% in FY2024.

Acuite believes that the ability of the company to scale its operations with improvement in margins shall be a key rating sensitivity.

Average financial risk profile

The financial risk profile of the company stood average marked by low networth, high gearing and low debt protection metrics. The net worth of the company stood at Rs. 3.39 Cr. as on March 31st, 2025 (Prov), as against Rs. 2.79 Cr. as on March 31st, 2024. The total debt of the company stood at Rs. 8.27 Cr. as on March 31, 2025 (Prov), as against Rs. 8.20 Cr. as on March 31, 2024. Consisting majorly of short-term debt. The gearing of the company stood high at 2.44 times as on March 31, 2025 (Prov), as compared to 2.94 times as on March 31, 2024. The TOL/TNW of the company stood at 5.26 times as on March 31, 2025 (Prov), as against 7.05 times as on March 31, 2024. Further, the debt protection metrics of the company stood low reflected by debt service coverage ratio of 1.44 times for FY2025 (Prov) as against 1.04 times for FY2024.

Acuite believes that the financial risk profile of the company may improve over the medium term on account of improvement in scale of operations and profitability.

Intensive working capital operations

The working capital operations of the company is marked intensive in nature, with high Gross Current Assets (GCA) of 269 days in FY2025 (Prov), compared to 288 days in FY2024 driven by high debtor days and inventory days. Although the same has improved compared to the previous year, debtor days and inventory still remain high at 175 days and 89 days respectively as of March 2025 (Prov.) as compared to 186 days and 94 days in FY2024. The creditor days stood at 230 days in FY2025 (Prov.) as against 270 days in FY2024. Further, the average utilization for fund-based limits remained high, averaging around 99.85% over the last eight months ending March 2025.

Acuite believes that working capital operations of the company will continue to remain in similar range over medium term considering the nature of business.

Rating Sensitivities

- Improvement in the scale of operations along with improvement in margins, leading to higher NCA.
- Improvement in the financial risk profile.
- Any significant elongation in working capital operations leading to a deterioration in its financial risk profile and liquidity.

Liquidity Position Stretched

The company's liquidity position is stretched as the company's reliance on working capital borrowings is high, marked by average utilization of fund based working capital limits of ~99.85% during the last eight months period ended March 2025. The company generated net cash accruals of Rs. 0.73 Cr. in FY2025 (Prov) as against its maturing debt obligations of Rs. 0.05 Cr. The cash and bank balances of the company stood at Rs. 0.04 Cr. as on March 31, 2025 (Prov). The current ratio stood at 0.95 times as on March 31, 2025 (Prov), as compared to 0.92 times as on March 31, 2024.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	23.17	22.96
PAT	Rs. Cr.	0.61	0.57
PAT Margin	(%)	2.62	2.50
Total Debt/Tangible Net Worth	Times	2.44	2.94
PBDIT/Interest	Times	1.49	1.47

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

None

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.50	Simple	ACUITE A4 Assigned
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE B Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE B Stable Assigned

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About Acuité Ratings & Research

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