



**Press Release**  
**AMJEY CHEM TRADE PRIVATE LIMITED**  
**July 15, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	32.50	ACUITE BBB-   Stable   Assigned	-
Bank Loan Ratings	60.00	-	ACUITE A3   Assigned
Total Outstanding Quantum (Rs. Cr)	92.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of ‘ACUITÉ BBB-’(read as ACUITE Triple B minus) and short-term rating of ‘ACUITÉ A3’(read as ACUITE A three) on the Rs. 92.50 Cr. bank facilities of Amjei Chem Trade Private Limited (ACTPL). The outlook is ‘Stable’.

**Rationale for rating**

The rating considers the experienced management and long operational track record in chemical industry. The rating also factors in the moderate financial risk profile, moderately efficient working capital operations and the adequate liquidity position. However, the rating is constrained due to subdued operating performance and susceptibility of profitability to volatility in prices of traded goods along with forex risk in a competitive industry.

**About the Company**

Incorporated in 2007, Amjei Chem Trade Private Limited (ACTPL) is based in Mumbai, Maharashtra. The company is engaged in trading of wide range of chemicals, over 100 products, used across various industries including plywood, pharmaceuticals, textiles, paints, refineries, dyes, fertilizers, power plants, etc. ACTPL is promoted by Mr. Amit Rajendra Jhawar, Mr. Ashok Kumar Rameshwar Lal Jhanwar and Mr. Sumit Rajendra Prasad Jhanwar. The company’s branches located at Mumbai, Ahmedabad, Delhi, Hyderabad, Vishakhapatnam, and Gurgaon Haryana.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Amjei Chem Trade Private Limited (ACTPL).

**Key Rating Drivers**

**Strengths**

**Experienced management with an established track record of operations**

ACTPL has nearly two decades of operational experience in the chemical industry, supported by experienced promoters with industry expertise. Over the years, the company has strong, long-term relationships with both customers and suppliers, including major players across the refinery, pharmaceutical, fertilizer, and paint sectors. Acuite believes that the company will continue to benefit from its experienced management and able to sustain established relations with its customers and suppliers over the medium term.

### **Moderate Financial Risk Profile**

The financial risk profile of the company is moderate marked by moderate net worth, below unity gearing and

comfortable debt protection metrics. The company's net worth stood at Rs. 55.77 Cr. as on March 31, 2024, from Rs. 55.34 Cr. as on March 31, 2023, due to accretion of profit to reserves. The total debt of the company stood at Rs. 22.56 Cr. as on March 31, 2024, as against Rs. 18.87 Cr. as on March 31, 2023. The debt profile of the company comprises of Rs. 2.21 Cr. of long-term debt and Rs. 20.35 Cr. of unsecured loans from related parties as on March 31, 2024. The gearing of the company's stood at 0.40 times in FY24 as against 0.34 times in FY23. Going forward, gearing is expected to rise further due to higher working capital utilization; however, it is projected to remain below unity. The debt protection metrics declined however remained comfortable as reflected with an interest service coverage ratio of 1.63 times as on March 31, 2024, as against 2.18 times as on March 2023. Also, debt service coverage ratio stood at 1.35 times as on March 31, 2024, as against 1.93 times as on March 2023. Acuite believes that the financial risk profile of the company is likely to sustain in near to medium term on account of steady accruals and low gearing.

### **Moderately efficient working capital management**

The working capital management is moderately efficient marked by GCA of 113 days in FY24 and 92 days during FY23. The debtor days of the company stood at 79 days for FY24 compared to 76 days for FY23 and the inventory days stood at 34 days for FY24 as against 16 days for FY23. The increase in inventory days was primarily due to the company's strategic purchase of a large volume of chemicals at favourable low prices, capitalizing on an opportunity to optimize future cost efficiency. The creditor days stood at 72 days in FY24 as compared to 68 days in FY23. The average fund-based working capital utilization of the company is ~65 percent for 6 month ended as on May 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.

### **Weaknesses**

#### **Subdued scale of operations and profitability margins**

The company experienced a declining trend in operating performance over recent years. However, this appears to have stabilized at the bottom marked by revenue of ~Rs. 503 Cr. in FY25(Est.) as compared to Rs.492.07 Cr. in FY24 and Rs.667.42 Cr. in FY23. The decline was primarily driven by geopolitical factors, which caused significant market volatility, resulting in lower volumes and reduced realizations. Additionally, falling crude oil prices exerted considerable pressure on the petrochemicals segment. The operating profit margin stood ~1.36 percent in FY25(Est.) as compared to 1.25 percent in FY24 and 1.52 percent in FY23. Consequently, the PAT margin of the company subdued and stood at 0.09 percent in FY24 and 0.53 percent in FY23. Acuite believes that the sustainability in the revenue growth and profitability would be a key monitorable going forward.

#### **Competitive nature of industry and vulnerability of margins to volatile Imported Inputs**

The competitive landscape is intense due to low entry barriers and a fragmented industry structure, which results in significant pricing pressures from peers. This combination of volatile raw material costs and aggressive competition poses a continuous challenge to maintaining stable profit margins for companies engaged in trading. Profit margins are highly susceptible to fluctuations in raw material prices due heavy reliance on imports of the raw materials i.e. around 40 percent and forex risk.

### **Rating Sensitivities**

- Sustain improvement in scale of operations and profitability margins
- Changes in financial risk profile
- Deterioration in working capital cycle

### **Liquidity Position**

#### **Adequate**

The liquidity position of the company remains adequate. The company generated net cash accruals of Rs. 2.15 Cr. in FY24 and Rs. 4.39 Cr. in FY23 against repayment obligation in the range of Rs. 0.50-0.55 Cr. in the same period. Going forward the company's net cash accruals provides sufficient cushion to the repayment obligation. The company had a cash balance of Rs. 0.13 crore as on March 31, 2024. The current ratio stood at 1.49 times in FY24. The average fund-based working capital utilization of the company is ~65% for 6 month ended as on May 2025. Acuite believes that the liquidity of the group is likely to remain adequate over the medium term on account of adequate cash accrual over the medium term against repayment obligations.

### **Outlook: Stable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	492.07	667.42
PAT	Rs. Cr.	0.43	3.51
PAT Margin	(%)	0.09	0.53
Total Debt/Tangible Net Worth	Times	0.40	0.34
PBDIT/Interest	Times	1.63	2.18

### 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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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](http://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
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A3   Assigned
HSBC	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE BBB-   Stable   Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.50	Simple	ACUITE BBB-   Stable   Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE BBB-   Stable   Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Credit Exposure Limit (FCNR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE A3   Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.50	Simple	ACUITE A3   Assigned
HSBC	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE A3   Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3   Assigned

## Contacts

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### About Acuité Ratings & Research

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