

The Dharamsi Morarji Chemical Company Limited

December 24, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Unallocated Limit	55.00	55.00	[ICRA]BBB- (Stable)/ [ICRA]A3; Withdrawn
Total	55.00	55.00	

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term rating of **[ICRA]BBB-** (pronounced ICRA triple B minus)¹ with a stable outlook and the short-term rating of **[ICRA]A3** (pronounced ICRA A three) assigned to the Rs. 55.00-crore² unallocated limit of The Dharamsi Morarji Chemical Company Limited (DMCCL or the company).

Rationale

The ratings are withdrawn in accordance with ICRA's policy on withdrawal and suspension, at the request of the company, based on the undertaking from the company that DMCCL has not availed any bank facilities against the unallocated limits rated by ICRA.

Outlook: Not applicable

Key rating drivers

Not Applicable

Liquidity position

Not Applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Rating Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Incorporated in 1919, The Dharamsi Morarji Chemical Company Limited (DMCCL) was earlier engaged in the production of sulphuric acid and phosphate fertilisers in India. In 2007, DMCCL exited the manufacturing of fertilisers and entered into the manufacture of commodity and speciality chemicals.

Borax Morarji Limited, a Group company within the same management, was amalgamated with DMCCL with effect from April 01, 2016. Pursuant to the scheme of amalgamation approved by the National Company Law Tribunal (NCLT), Mumbai on October 18, 2017, Borax Morarji Ltd (BML) was merged with DMCCL with effect from April 1, 2016. Borax Morarji Limited manufactures boron-based chemicals.

Key financial indicators

	FY2017 Audited	FY2018 Audited	H1 FY2019 Unaudited
Operating Income (Rs. crore)	175.1	177.8	117.6
PAT (Rs. crore)	17.0	12.3	24.3
OPBDIT/OI (%)	17.1%	12.9%	28.6%
RoCE (%)	37.5%	21.6%	61.2%
Total Debt/TNW (times)	0.5	0.3	0.2
Total Debt/OPBDIT (times)	1.0	1.1	0.3
Interest Coverage (times)	5.7	5.7	21.1

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2019)					Chronology of Rating History for the past 3 years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
1 Unallocated Limit	Long Term/ Short Term	55.00	-	Dec 2018 [ICRA]BBB- (Stable)/ [ICRA]A3; Withdrawn	Jan 2018 [ICRA]BBB- (Stable)/ [ICRA]A3	-	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Unallocated Limit	-	-	-	55.00	[ICRA]BBB- (Stable)/ [ICRA]A3; Withdrawn
				Source: The Dharamsi Morarji Chemical Company Limited		

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