

March 16, 2020

Aceto Chem Private Limited: Rating Withdrawn

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based - Term Loan	3.38	3.38	[ICRA]BB+(Stable); Withdrawn
Fund-based - Working Capital Facilities	4.50	4.50	[ICRA]BB+(Stable); Withdrawn
Non-fund Based - Letter of Credit	4.00	4.00	[ICRA]A4+; Withdrawn
Total	11.88	11.88	

Rationale

The long-term and short-term ratings assigned to Aceto Chem Private Limited (ACPL) have been withdrawn at the request of the company, based on the no-objection certificate provided by its banker. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating.

Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

Liquidity position

Not captured as the rating is being withdrawn.

Rating sensitivities

Not captured as the rating is being withdrawn.

Analytical approach:

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

About the company:

ACPL manufactures dye intermediates, which find applications in food colour and textile dyes. The company set up in 1975 by Mr. Jitendra P. Parmar and Mr. Bansilal D. Patel as a partnership firm, commenced operations with the trading of chemicals. In 1978, it ventured into manufacturing of dye intermediates for food dyes and later, for textile dyes. The firm was converted into a private limited company in 1998. In FY2011, the company also commenced manufacturing of agrochemical intermediates. ACPL has a manufacturing facility at Pandesara near Surat, Gujarat with an installed capacity of 7,000 MT per annum.

Status of non-cooperation with previous CRA: Not applicable

Key financial indicators:

	FY2017	FY2018
Operating Income (Rs. crore)	38.71	40.39
PAT (Rs. crore)	4.48	5.36
OPBDITA/ OI (%)	23.00%	22.37%
RoCE (%)	32.32%	28.08%
Total Outside Liabilities/Tangible Net Worth (times)	1.21	0.97
Total Debt/OPBDITA (times)	1.26	1.24
Interest Coverage (times)	7.61	10.42
DSCR	2.74	3.09

Source: Company

Any other information: None

Rating history for last three years:

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)					Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating		FY2019	FY2018	FY2017
					16-Mar-2020	23-Jul-2019	-	04-Jan-2018	24-Nov-2016
1	Term Loan	Long Term	3.38	-	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable);	-	[ICRA]BB+ (Stable)	[ICRA]BB^
2	Cash Credit	Long Term	4.50	-	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	-	[ICRA]BB+ (Stable)	[ICRA]BB^
3	Letter of Credit	Short Term	4.00	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	-	[ICRA]A4+	[ICRA]A4^

^Suspended

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	Term Loan	NA	NA	NA	3.38	[ICRA]BB+ (Stable); Withdrawn
NA	Cash Credit	NA	NA	NA	4.50	[ICRA]BB+ (Stable); Withdrawn
NA	Letter of Credit	NA	NA	NA	4.00	[ICRA]A4+; Withdrawn

Source: Aceto Chem Private Limited (ACPL)

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