

December 24, 2019

Sigma Chemtrade Private limited: Continues to remain under Issuer Non-Cooperating category; Rating downgraded based on best available information

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	1.00	1.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB(Stable) Rating continues to remain in the 'Issuer Not Cooperating' category
Short Term - Non-Fund Based	12.50	12.50	[ICRA]A4 ISSUER NOT COOPERATING Rating downgraded from [ICRA]A4+ Rating continues to remain in the 'Issuer Not Cooperating' category.
Total	13.50	13.50	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Sigma Chemtrade Private limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Sigma Chemtrade Private limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company:

SCPL is engaged in the trading of polymers and plastic raw materials like High Density Poly Ethylene (HDPE), Low density Poly ethylene (LDPE), Polypropylene (PP) and chemicals. In addition to direct imports and distribution, SCPL also acts as an indenting agent for imported polymers and chemicals, wherein the company provides services like coordination with suppliers for direct imports by customers without getting financially involved in the transactions.

Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	100.70	127.43
PAT (Rs. crore)	0.91	0.66
OPBDIT/OI (%)	2.2%	1.6%
RoCE (%)	16.2%	12.05
Total Outside Liabilities/Tangible Net Worth (times)	2.67	4.06
Total Debt/OPBDIT (times)	2.92	5.66
Interest Coverage (times)	3.1	2.1
DSCR	-	-

Source: Ace Equity

Status of non-cooperation with previous CRA:

As per India Ratings press release dated October 30, 2018, Sigma Chemtrade Private Limited ratings of [IND] BB+/A4+ for its Rs. 142.5 crore bank facilities. Rating continues to issuer not cooperating category, based on best available Information.

Any other information

Not applicable

Rating history for past 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
					24-Dec- 2019	18-Sep-2018	29-Jun-2017	-
1	Cash Credit	Long Term	1.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	-
2	Non-Fund Based	Long Term	12.50	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING	-

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	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	1.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	12.50	[ICRA]A4; ISSUER NOT COOPERATING

Source: Sigma Chemtrade Private

limited

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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