

JULY 9, 2015

CARE ASSIGNS 'CARE BBB/CARE A3+' RATINGS TO THE BANK FACILITIES OF
INDO AMINES LTD
Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities – Fund-based Facilities	36	CARE BBB (Triple B)	Assigned
Short-term Bank Facilities – Non-fund-based Facilities	24	CARE A3+ (A Three Plus)	Assigned

Rating Rationale

The ratings assigned to the bank facilities of Indo Amines Ltd derive strength from the established track record and experience of promoters in the chemical industry, diversified product portfolio & end user applications and established relationship with the customers.

These rating strengths are constrained by susceptibility of the company's profitability to volatility in raw material prices, exposure to foreign exchange fluctuation risk and average financial risk profile marked by moderate gearing, debt service coverage indicators and liquidity.

The ability of IAL to improve its capacity utilization of the newly licensed facilities while maintaining its profitability margins considering the volatility in raw material prices is the key rating sensitivity.

Background

Techno Chemical Industries (TCI) was incorporated in 1979, which later renamed itself into Indo Amines Limited (IAL) and went public in the year 1994. IAL is engaged in manufacturing of specialty, performance and fine chemicals. The company has five manufacturing facilities located at Baroda in Gujarat and Dombivli, Rabale, Mahad, Dhule in Maharashtra with total manufacturing capacity of 37,400 MT as on March 31, 2015. The products find their applications in pharmaceuticals, fertilizers, agro chemicals, water treatment, dyes & pigments, detergents & soaps, paint, ink, resins, coating, cleaning solutions. The company is predominantly an export oriented company with exports contributing about 63.37% of the total revenue in FY15.

During FY15 (refers to period from April 1 to March 31), IAL reported a Profit After Tax (PAT) of Rs 4.34 crore on a total operating income of Rs 215.43 crore as compared to PAT of Rs 4.62 crore on a total operating income of Rs.217.68 crore recorded during FY14.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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CIN - L67190MH1993PLC071691