

## Press Release

### Camlin Fine Sciences Limited

January 17, 2020

#### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs. 392.30 Cr.
<b>Long Term Rating</b>	ACUITE A- (Under rating watch with developing implications)
<b>Short Term Rating</b>	ACUITE A2+ (Under rating watch with developing implications)

\* Refer Annexure for details

#### Rating Rationale

Acuité has placed the long-term rating of '**ACUITE A-** (read as **ACUITE A minus**)' and short term rating of '**ACUITE A2+**' (read as **ACUITE A two plus**) on the Rs. 392.30 crore bank facilities of CAMLIN FINE SCIENCES LIMITED (CFSL) on '**Rating watch with developing implications**'.

#### Rationale for placing the rating on watch with developing implications

Acuité has placed the rating under watch with developing implications post receipt of closure notice by Camlin Fine Sciences Limited (CFSL) from Maharashtra Pollution Control Board (MPCB) for their manufacturing unit located at MIDC, Tarapur, District Palghar, within 72 hours. Acuite understands that, the company has filed for an extension of timeline to comply with the above closure notice and the approval of the extension is yet to be received. The Tarapur unit contributes to ~75% of the total production of the company and the closure of this unit is likely to impact the business operations significantly. Acuité is in discussion with the management to assess the extent of impact of this development. Acuite is monitoring the developments with respect to the closure of operations and will resolve the watch once clarity emerges.

Camlin Fine Chemical was incorporated in year 1993. Camlin Fine Chemical was one of the division in the Kokuyo Camlin Limited erstwhile Camlin Ltd. to manufacture antioxidants for the global market. CFSL was formed after de-merging (mirror shareholding) the fine chemical business from Camlin Ltd. Manufacturing plant of the company was set up in Tarapur, Maharashtra. Camlin Fine Sciences Limited researches, develops, manufactures, and markets specialty chemical and blend products with a customer base spread across 80 countries worldwide including India and products having applications in food, feed, animal and pet nutrition, flavours and fragrances, agro chemicals, petro chemicals, dyes and pigments, polymers, bio-diesel and pharmaceutical which can be broadly classified under three main verticals, namely, Shelf Life Solutions, Performance Chemicals, and Aroma.

#### Analytical Approach

Acuité has consolidated the business and financial risk profiles of CFSL and its eight subsidiaries and ten step-down subsidiaries together referred to as the 'Camlin Group' (CG) to arrive at the rating. The consolidation is in view of operational and financial synergies amongst the group companies, and common management.

Following is the list of companies that have been consolidated:

Sr.	Company's Name	Subsidiary / Step Down Subsidiary
1	CFCL Mauritius Pvt. Ltd.	Subsidiary
2	CFS Do Brasil Industria	Subsidiary
3	CFS North America LLC	Subsidiary
4	Solentus North America Inc.	Subsidiary
5	CFS Antioxidantes De Mexico S.A. De C.V	Subsidiary
6	CFS International Trading (Shanghai) Ltd.	Subsidiary
7	CFS Pahang Asia Pte. Ltd.	Subsidiary
8	Chemolutions Chemicals Ltd.	Subsidiary

9	CFS Europe SPA	Step down subsidiary
10	CFS Argentina SA.	Step down subsidiary
11	CFS Chile	Step down subsidiary
12	Dresen Quimica S.A.P. I. de C.V.	Step down subsidiary
13	Industrias Petrotec de Mexico S.A de C.V.	Step down subsidiary
14	Nuvel, S.A.C	Step down subsidiary
15	Britec, S.A	Step down subsidiary
16	Inovel, S.A.S.	Step down subsidiary
17	Grinel, S.A	Step down subsidiary
18	CFS Wanglong Flavours (Ningbo) Co. Ltd.	Step down subsidiary

### About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)
Operating Income	Rs. Cr.	892.17	720.60
PAT	Rs. Cr.	3.01	(23.97)
PAT Margin	(%)	0.34	(3.33)
Total Debt/Tangible Net Worth	Times	1.26	1.02
PBDIT/Interest	Times	1.51	0.87

For further details, kindly refer to Acuite's release dated March 06, 2019

<https://www.acuite.in/documents/ratings/revise/27412-RR-20190306.pdf>

**Liquidity: Acuite is awaiting clarity with respect to closure of the plant.**

**Status of non-cooperation with previous CRA (if applicable)**

Not applicable

**Any other information**

None

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Consolidation Of Companies - <https://www.acuite.in/view-rating-criteria-22.htm>

**Note on complexity levels of the rated instrument**

<https://www.acuite.in/criteria-complexity-levels.htm>

### Rating History (Upto last three years)

Date	Name of Instrument/ Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
06-Mar-2019	Cash Credit	Long Term	16.00	ACUITE A- / Stable (Assigned)
	Packing Credit	Long Term	30.00	ACUITE A- / Stable (Assigned)
	Cash Credit	Long Term	65.00	ACUITE A- / Stable (Assigned)
	Cash Credit	Long Term	89.00	ACUITE A- / Stable (Assigned)
	Term Loan	Long Term	7.50	ACUITE A- / Stable (Assigned)
	Standby Line of Credit	Short Term	19.00	ACUITE A2+ (Assigned)

	Bank Guarantee	Short Term	8.00	ACUITE A2+ (Assigned)
	Bank Guarantee	Short Term	8.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	36.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	72.80	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	16.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	25.00	ACUITE A2+ (Assigned)

**\*Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.00#	ACUITE A- (Under rating watch with developing implications)
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	30.00@	ACUITE A- (Under rating watch with developing implications)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	65.00	ACUITE A- (Under rating watch with developing implications)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	89.00**	ACUITE A- (Under rating watch with developing implications)
Term Loans	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE A- (Under rating watch with developing implications)
Standby Line of Credit	Not Applicable	Not Applicable	Not Applicable	19.00	ACUITE A2+ (Under rating watch with developing implications)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	8.00*	ACUITE A2+ (Under rating watch with developing implications)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A2+ (Under rating watch with developing implications)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	36.00*	ACUITE A2+ (Under rating watch with developing implications)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	72.80	ACUITE A2+ (Under rating watch with developing implications)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE A2+ (Under rating watch with developing implications)

					implications)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE A2+ (Under rating watch with developing implications)

\*one way interchangeability from NFB limit to FB limit up to 50 percent of the sanctioned NFBWC limit of Rs. 44.00 crore

\*\* EPC/PCFC of Rs.89.00 crore sublimit of CC

# EPC/PCFC of Rs.16.00 crore sublimit of CC

@BP/FDBP/BD/CC of Rs. 30.00 crore sublimit of PCL

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### About Acuité Ratings & Research:

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