

Press Release

Royal Castor Products Limited

August 26, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	55.00	ACUITE BB Downgraded Issuer not co-operating*	-
Fixed Deposits (FD)	15.00	ACUITE BB Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	73.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and reaffirmed the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) for the Rs.58.00 crore bank facilities of Royal Castor Products Limited (RCPL).

Further, Acuité has also downgraded the fixed deposit rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) to the Rs.15.00 crore fixed deposit.

The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Royal Castor Products Limited (RCPL) based in Mehsana, Gujarat was incorporated in 1995. The company is promoted jointly by Standard Greases Group (SG Group) a leading lubricating grease manufacturer in Asia and Siddhpur, Gujarat based Patel group. Also, Japan based leading chemical manufacturer Kusumoto Chemicals holds 8.78 percent stake. RCPL is engaged in the business of manufacturing castor oil derivative products. The product range caters to industries like Lubricants, Floor-coatings, Metal working fluids, Oil field chemicals, Cosmetics, Paint additives, Chocolate emulsifiers, Plasticizers, Drilling chemicals, Textile chemicals and other Industrial products. The manufacturing unit is located at Siddhpur, Mehsana with an installed capacity of 33,100 MTPA. The company also has a windmill for captive consumption with installed capacity of 2.20 MW.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

No information provided by the issuer / available for Acuité to comment upon.

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon.

Outlook

Not Applicable

Status of non-cooperation with previous CRA

CRISIL vide its press release dated 20, Dec 2020 has mentioned the rating of RCPL as ‘CRISIL B+/Stable/CRISIL A4’ Downgraded, Issuer Not Cooperating category and ‘CRISIL FB+’ Issuer not cooperating as on 20-Dec 2020.

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 Jun 2022	Proposed Bank Facility	Short Term	3.00	ACUITE A4+ (Issuer not co-operating*)
	Fixed Deposit Program	Long Term	15.00	ACUITE BB+ (Issuer not co-operating*)
	Bills Discounting	Long Term	55.00	ACUITE BB+ (Issuer not co-operating*)
08 Jun 2022	Bills Discounting	Long Term	55.00	ACUITE BB+ (Issuer not co-operating*)
	Proposed Bank Facility	Short Term	3.00	ACUITE A4+ (Issuer not co-operating*)
	Fixed Deposit Program	Long Term	15.00	ACUITE FBB+ (Issuer not co-operating*)
04 Jun 2021	Proposed Bank Facility	Short Term	3.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Fixed Deposit Program	Long Term	15.00	ACUITE FBB+ (Downgraded and Issuer not co-operating*)
	Bills Discounting	Long Term	55.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
24 Jun 2020	Proposed Bank Facility	Short Term	3.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Fixed Deposit Program	Long Term	15.00	ACUITE FA Positive (Reaffirmed)
	Bills Discounting	Long Term	55.00	ACUITE A- Positive (Reaffirmed)
07 Jun 2019	Proposed Bank Facility	Short Term	3.00	ACUITE A2+ (Assigned)
	Bills Discounting	Long Term	55.00	ACUITE A- Stable (Assigned)
	Fixed Deposit Program	Long Term	15.00	ACUITE FA Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	55.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
State Bank of India	Not Applicable	Fixed Deposit Program	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4+ Reaffirmed Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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