



Press Release
Royal Castor Products Limited
August 21, 2023

Rating Reaffirmed and Issuer not co-operating

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

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.58.00 Cr. bank facilities of Royal Castor Products Limited (RCPL).

Further, Acuite has also reaffirmed the fixed deposit rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.15.00 crore fixed deposit of RCPL.

The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

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:

Acuite 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. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with 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 Acuite'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.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	649.61	374.74
PAT	Rs. Cr.	39.05	23.60
PAT Margin	(%)	6.01	6.30
Total Debt/Tangible Net Worth	Times	0.36	0.11
PBDIT/Interest	Times	11.65	12.74

Status of non-cooperation with previous CRA

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Aug 2022	Bills Discounting	Long Term	55.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Fixed Deposit Program	Long Term	15.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Short Term	3.00	ACUITE A4+ (Issuer not co-operating*)
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	Fixed Deposit Program	Long Term	15.00	ACUITE FBB+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Short Term	3.00	ACUITE A4+ (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)

Annexure - Details of instruments rated

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

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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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