



Press Release
ORIC ORGANIC CHEMICALS PRIVATE LIMITED
January 09, 2025
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	64.00	ACUITE D Downgraded	-
Total Outstanding Quantum (Rs. Cr)	64.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

ACUITE has downgraded the long-term rating of 'ACUITÉ B+' (read as **ACUITÉ B Plus**) to 'ACUITÉ D' (read as **ACUITÉ D**) on the Rs. 64 Cr. bank facilities of Oric Organic Chemicals Private Limited (OOCPL).

Rationale for rating

The rating has been downgraded on account of delays in interest payments of the term loans. Due to technical issues, funds available in current account could not be debited towards timely servicing of debt obligations.

About the Company

Mumbai based, Oric Organic Chemicals Private Limited was Incorporated in the year 2019. The company is engaged in the Manufacture of Chemicals and Chemical products (including antiknock preparations, anti-freeze preparations, liquids for hydraulic transmission, composite diagnostic or laboratory reagents, writing or drawing ink, chemical substance used in manufacturing of pesticides and other chemical products). The directors of the company are Mr. Shavak Keki Bhumgara, Mrs. Meher Shavak Bhumgara, Ms. Rhea Shavak Bhumgara and Mr. Rishad Bhumgara Shavak.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken the standalone view on the business and financial risk profile of Oric Organic Chemicals Private Limited.

Key Rating Drivers

Strengths

Experienced management and locational advantage

Oric Organic Chemicals Private Limited is a Mumbai based company established by Mr. Shavak Keki Bhumgara, Mrs. Meher Shavak Bhumgara, Ms. Rhea Shavak Bhumgara and Mr. Rishad Bhumgara Shavak. The company will be managed by the promoters of the company who have experience in the industry in the same region which would benefit the ongoing project execution. Their experience would help the company to flourish. Further, the company

will also enjoy the locational advantage as proposed manufacturing unit is a part of the Delhi-Mumbai Industrial Corridor project (DMIC), which is planned for developing an industrial zone across six states between Delhi and Mumbai unit is 15 Km from Aurangabad Airport. Presently, the Company has been selling to its group entity Eskay Dyestuffs & Organic Chemicals Private Limited. It will give the company strength to access clients comfortably. Acuite believes that OOCPL will continue to benefit over medium term with experience of its promoters.

Weaknesses

Nascent stage of project

The company was incorporated in 2019, and the project is in its nascent stage of production which started in June 2024. The company has started the manufacturing unit of Di-sulphuric acid with a total area of 20562 Sqft which is a part of Delhi-Mumbai Industrial Corridor Project. Acuite believes that the stabilization of the plant in the initial stages of operations would remain a key rating sensitivity factor. In 4 months of operation up to Dec 2024, the Company has attained a revenue of Rs. 4.21 Cr.

Quality Improvement

The company is required to improve the efficiency of the operations as well as the quality of the product for which it plans to have a capex of Rs. 1 Cr. in FY26. The experience of the management has helped them to identify various areas of improvement that will allow them to improve the quality of the product and also the operational environment of the plant.

Rating Sensitivities

Improvement in capital structure
Stabilisation of the project
Timely servicing of debt

Liquidity Position

Stretched

The company has stretched liquidity as reflected from the negative net cash accruals which are further expected to be low over the near term. So, any shortfall in meeting the debt repayment would be fulfilled by bringing in unsecured loans in the business with the help of the promoters as they have the flexibility to infuse funds in the business. The company has also received a sanction of Cash Credit limit of Rs. 3 Cr by HDFC bank to fund its day-to-day operations. However, timely stabilization of the project and generation of optimum cash accrual will be key rating sensitivity factors.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	(0.41)	(0.32)
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	10.00	3.30
PBDIT/Interest	Times	(408.79)	(1.99)

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

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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, Acuite 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	
17 Oct 2023	Term Loan	Long Term	18.45	ACUITE B+	Stable (Assigned)
	Term Loan	Long Term	43.15	ACUITE B+	Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	2.40	ACUITE B+	Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE D Downgraded (from ACUITE B+)
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Aug 2032	18.45	Simple	ACUITE D Downgraded (from ACUITE B+)
State Bank of India	Not avl. / Not appl.	Term Loan	31 Jul 2022	Not avl. / Not appl.	30 Jun 2032	42.55	Simple	ACUITE D Downgraded (from ACUITE B+)

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About Acuité Ratings & Research

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