

September 06, 2022

OC Specialities Private Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term Fund Based – Cash Credit	55.50	55.50	[ICRA]A-(Stable); Withdrawn
Long Term – Fund Based – Term Loan	75.85	75.85	[ICRA]A-(Stable); Withdrawn
Short Term – Non-Fund Based	41.00	41.00	[ICRA]A2+; Withdrawn
Short Term – Fund Based	7.00	7.00	[ICRA]A2+; Withdrawn
Total	179.35	179.35	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of **OC Specialities Private Limited** at the request of the company and based on the No Objection Certificate received from the banker, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position, Rating Sensitivities and Key Financial Indicator have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in Agrochemical Industry Rating Methodology for Entities in Chemical Industry Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone profile of the rated entity

About the company

OCSPL has an established track record of more than two decades in trading various chemicals with exclusive distribution contracts from large chemical companies. The trading vertical drove 58.3% of its revenues, followed by the manufacturing division (41.7%). The trading business is being transferred to another group concern and will be completely shifted by FY2024.

On the manufacturing front, OCSPL produces speciality chemicals and provides research services as well as custom manufacturing of chemical intermediates and speciality chemicals by using novel chemistries. The company currently manufactures 8-10 intermediates, which have limited competition globally due to its established relationships with innovator companies. It specialises in servicing industries like agrochemicals (60-70% of its total revenue), pharmaceuticals, petrochemicals, refineries, water treatment, steel, oil drilling, glass ceramics, abrasives, polymer processing, flavour and fragrance, automobiles, and fine chemicals. OCSPL also manufactures commodity chemicals, although this segment was halted after September 2019. The company's sole focus is going to be on manufacturing speciality chemicals.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2023)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020	
				Sep 06, 2022	Jun 04, 2021	-	Mar 20, 2020	
1	Cash Credit	Long Term	55.50	-	[ICRA]A-(Stable); Withdrawn	[ICRA]A-(Stable)	-	[ICRA] BBB+(Stable)
2	Term Loan	Long Term	75.85	-	[ICRA]A-(Stable); Withdrawn	[ICRA]A-(Stable)	-	[ICRA] BBB+(Stable)
3	Non-Fund Based	Short Term	41.00		[ICRA]A2+; Withdrawn	[ICRA]A2+	-	[ICRA]A2
4	Fund Based Facilities	Short Term	7.00		[ICRA]A2+; Withdrawn	[ICRA]A2+	-	[ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based – Term Loan	Simple
Long Term – Fund Based	Simple
Short Term – Non-Fund Based	Very Simple
Short Term – Fund Based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Term Loan	May 2018	NA	May 2023	75.85	[ICRA]A-(Stable); Withdrawn
NA	Cash Credit	NA	NA	NA	55.50	[ICRA]A-(Stable); Withdrawn
NA	Letter of Credit / Bank Guarantee	NA	NA	NA	41.00	[ICRA]A2+; Withdrawn
NA	Short Term – Fund Based	NA	NA	NA	7.00	[ICRA]A2+; Withdrawn

Source: Company

*sub-limit of Term loan

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis - NA

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