

Octal Sales Private Limited

December 28, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	7.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	7.00 (Rs. Seven Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. has been seeking information from Octal Sales Private Limited to monitor the rating(s) vide e-mail communications/letters dated August 23, 2021, December 02, 2021 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further, Octal Sales Private Limited has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on Octal Sales Private Limited's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating continues to remain constrained by on-going delay in debt servicing.

Detailed description of the key rating drivers

At the time of last rating on July 21, 2021 the following were the rating weaknesses

Key Rating Weaknesses

On-going delay in debt servicing: There are ongoing delays in debt servicing of the company.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)
[CARE's Policy on Default Recognition](#)

About the Company

Octal Sales Pvt Limited (OSPL) was incorporated in 1997 by Mr. Aditya Sarma and family with main objective of trading of jute. In February 2016, OSPL has entered into the agreement with Government of Bihar for mining lease for stones and thus from FY17 it started mining of stones. In FY18 and FY19 trading activity contributed to ~35% and ~43% respectively of total sales while balance was from mining activity. Revenue in FY20 constituted of only mining revenue.

Brief Financials (Rs. crore)	31-03-2019 (A)	31-03-2020 (A)	31/03/2021	H1FY22
Total operating income	67.96	44.45	-	-
PBILDT	5.12	5.62	-	-
PAT	1.53	2.71	-	-
Overall gearing (times)	2.03	1.27	-	-
Interest coverage (times)	3.79	5.50	-	-

A: Audited

Status of non-cooperation with previous CRA: Non cooperation from Brickwork and India ratings vide their press release dated March 24, 2021 and December 01, 2020 respectively.

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Cash Credit	LT	7.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (21-Jul-21)	1)CARE BB-; Stable (21-Dec-20)	-	-

*Issuer did not cooperate; Based on best available information

Annexure 3: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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