

Oasis Tradelink Limited

March 25, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	15.00	CARE D; ISSUER NOT COOPERATING* [Single D; ISSUER NOT COOPERATING*]	Issuer not cooperating; based on best available information
Short-term Bank Facilities	15.00	CARE D; ISSUER NOT COOPERATING* [Single D; ISSUER NOT COOPERATING*]	Issuer not cooperating; based on best available information
Total Facilities	30.00 (Rupees Thirty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

Oasis Tradelink Ltd. (OTL) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE's rating on OTL's bank facilities will now be denoted as **CARE D/ 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 ratings take into account on-going delays in OTL's debt servicing obligations owing to stretched liquidity due to elongation in its collection period along with withdrawal of unsecured loans infused by promoters that had earlier supported its funding requirements.

Detailed description of the key rating drivers

At the time of last rating on September 7, 2018, the following were the rating weaknesses:

Key Rating Weaknesses

Overdrawing in working capital limits for more than 30 consecutive days: OTL's collection period had elongated over the last few months due to delay in receipt of payments from its customers. This along with withdrawal of unsecured loans by the promoters that had supported its funding requirements resulted in stress on its liquidity, which led to overdrawal in its working capital limits for more than 30 consecutive days

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology - Manufacturing Companies](#)

[Financial ratios - Non- Financial Sector](#)

About the Company

Ahmedabad-based OTL, incorporated in 1996 as Oasis Tradelink Private Limited, is engaged in the business of edible oil packaging, branding and marketing. OTL sells its product under the brand name of 'Maruti' which is a well-recognized name in edible oil segment in Gujarat. It primarily procures wash oil from the seed crushers and gets it refined from other oil refining entities on job-work basis, post which, it carries out the packaging, marketing and distribution of the end products. OTL is promoted by Mr. Snehal B. Patel and his family members and has a packaging unit in Kadi, Gujarat.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	343.27	514.55
PBILDT	5.20	6.99
PAT	2.23	2.40
Overall gearing (times)	0.83	1.49
Interest coverage (times)	2.23	1.93

A: Audited

During 9MFY19, OTL reported a TOI of Rs.143.15 crore with a net loss of Rs.15.60 crore as against a TOI of Rs.370.59 crore and PAT of Rs.5.63 crore during 9MFY18.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	15.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-ILC/FLC	-	-	-	15.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Cash Credit	LT	15.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (07-Sep-18) 2)CARE BB; Stable (24-Aug-18) 3)CARE BBB-; Stable (05-Apr-18)	-	1)CARE BBB-; Stable / CARE A3 (16-Mar-17)	1)CARE BB+ / CARE A4+ (23-Feb-16)
2.	Non-fund-based - ST-ILC/FLC	ST	15.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (07-Sep-18) 2)CARE A4 (24-Aug-18) 3)CARE A3 (05-Apr-18)	-	-	-

*Issuer did not cooperate; Based on best available information

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