

Oasis Tradelink Limited

September 07, 2018

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	15.00	CARE D [Single D]	Revised from CARE BB; Stable [Double B; Outlook: Stable]
Short-term Bank Facilities	15.00	CARE D [Single D]	Revised from CARE A4 [A Four]
Total Facilities	30.00 (Rupees Thirty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings for the bank facilities of Oasis Tradelink Limited (OTL) take into account on-going delays in its debt servicing obligations owing to stretched liquidity owing 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

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

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

[Criteria for Short Term Instruments](#)

[CARE's methodology for 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.

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 Q1FY19, OTL has reported a TOI of Rs.100.73 crore with a PAT of Rs.0.42 crore as against a TOI of Rs.113.70 crore and PAT of Rs.0.56 crore during Q1FY18.

Status of non-cooperation with previous CRA: Not Applicable

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.careratings.com and other CARE publications

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:

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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
Non-fund-based - ST-ILC/FLC	-	-	-	15.00	CARE D

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	1)CARE BB; Stable (24-Aug-18) 2)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	1)CARE A4 (24-Aug-18) 2)CARE A3 (05-Apr-18)	-	-	-

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