

### Oneworld Corporation Private Limited: Assigned

Facility	Amount (Rs. Crore)	Rating/Outlook
Overdraft	20.00	SMERA B/Stable (Assigned)

SMERA has assigned long term rating of **'SMERA B' (read as SMERA B)** on the Rs.20.00 crore bank facility of Oneworld Corporation Private Limited (OCPL). The outlook is **'Stable'**. The rating is constrained by the moderate financial risk profile and declining revenue trend. However, the rating draws support from the experienced management, long track record of operations and established relations with customers and suppliers

OCPL is an importer, manufacturer and exporter of sandalwood oil, spices and perfumes. The moderate financial risk profile of the company is marked by high gearing, comfortable network and healthy debt protection measures. The debt equity stands at 2.04 times and networth is at Rs 24.62 crore in FY2016 (Provisional). Moreover, the net cash accrual to total debt is at 0.53 times in FY2016 (Provisional). The revenue of OCPL has declined consistently in the last three years from Rs.103.84 crore in FY2014 to Rs.46.73 crore in FY2016.

The promoter, Mr Amit Gupta has more than two decades of experience in the sandalwood business. OCPL was established as a private limited company in 1999. Over the years, OCPL has developed relations with its customers and suppliers. Its main customers include Dabur India Private Limited, Dharampal Satyapal Ltd, Khattri Aromas among others. The company's major suppliers for raw sandalwood oil are located in Africa, Australia, UAE.

#### Rating Sensitivity Factors

- Improvement in scale of operations
- Sustenance of profit margins
- Extent of debt funded capex

#### Outlook-Stable

SMERA believes that OCPL will maintain a 'stable' outlook over the medium term owing to the promoter's extensive experience in the sandalwood business. The outlook may be revised to 'Positive' if OCPL achieves more than envisaged sales and profitability while registering improvement in its financial risk profile. Conversely, the outlook may be revised to 'Negative' if the company fails to achieve growth in revenue and if the financial risk profile deteriorates.

#### Criteria applied to arrive at the ratings:

- Manufacturing entities

#### About the Company

The Delhi-based OCPL was established in 1999, by Mr Amit Gupta. The company is an importer, manufacturer and exporter of sandalwood oil, spices and perfumes.

For FY2014-15, OCPL reported profit after tax (PAT) of Rs.14.62 crore on total operating income of Rs.68.38 crore as compared with profit after tax (PAT) of Rs.24.68 crore on total operating income of Rs.103.84 crore in FY2013-14.

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