



Press Release
Oasis Commercial Private Limited
April 06, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	130.11	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	7.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	137.11	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A2**' (read as **ACUITE A two**) on the Rs.137.11 Cr. bank facilities of OASIS COMMERCIAL PRIVATE LIMITED(OCPL). The rating is now flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

OCPL was incorporated in 2006. In May 2013, the company acquired a new distillation unit with an installed capacity of 120 KLPD of Extra Neutral Alcohol (ENA) from Chaddha group. The unit is located in Ambala (Haryana). The company has a 9 MW biomass based power plant which is partly used for its own power requirements and for balance 5 MW OCPL has power purchase agreement (PPA) with Haryana Power Purchase Centre. The unit is further added with Ethanol Manufacturing facilities in Dec. 18 and now this unit is capable of producing Either ENA or Ethanol both as per requirements.

About the Group

Oasis Group (OG) is promoted by the Malhotra Family and has an operational track record of over five decades in the liquor industry. The Group currently owns five distillation units and 3 Bottling Plants situated in Punjab, Haryana, Madhya Pradesh, Rajasthan and Chandigarh, with a collective grain spirit production of more than 22.10 Crore liters per annum. The Group is also engaged in the retail trading business of liquor through Government contract route, by submitting tenders in the State of Punjab, Haryana and U.T. Chandigarh. At present, it owns about 600 retail vends in Punjab. The group's core business strength lies in the business of alcohol production, manufacturing and marketing of grain based IMFL. It is one of the largest retailers of liquor in the state of Punjab. Three plants owned by the group have their in-house power generation units and the group also markets DDGS (Dried Distilled Grain Soluble) for the cattle industry and harnesses Carbon-di-Oxide for industrial uses. DDGS and Carbon-di-Oxide are byproducts of the ENA manufacturing and distillation process. The Oasis group commenced its operations in 1980's under the lead of Mr. Deep Malhotra and his family and thus the group boasts a long track record of operations of four decades in the Alcohol manufacturing and trading industry. Currently, the day-to-day operations of the group are managed by Mr. Gautam Malhotra, Miss Dimpy Malhotra and Mr. Gaurav Malhotra.

Unsupported Rating

Not applicable.

Non-cooperation by the issuer/borrower

Acuité has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not applicable.

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	2134.97	1763.77
PAT	Rs. Cr.	81.92	56.17
PAT Margin	(%)	3.84	3.18
Total Debt/Tangible Net Worth	Times	1.07	0.88
PBDIT/Interest	Times	5.17	3.74

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Apr 2023	Proposed Long Term Bank Facility	Long Term	10.11	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	70.00	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB+ Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A2 (Reaffirmed)
21 Jul 2022	Proposed Long Term Bank Facility	Long Term	10.11	ACUITE BBB+ Positive (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB+ Positive (Reaffirmed)
	Term Loan	Long Term	70.00	ACUITE BBB+ Positive (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB+ Positive (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB+ Positive (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A2 (Reaffirmed)
14 Feb 2022	Term Loan	Long Term	70.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.03	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	3.86	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	6.22	ACUITE BBB+ Stable (Reaffirmed)
	PC/PCFC	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Reaffirmed)
24 Sep 2021	Term Loan	Long Term	70.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Reaffirmed)
	PC/PCFC	Short Term	10.00	ACUITE BBB+ (Reaffirmed)
	Proposed Long Term Loan	Long Term	1.03	ACUITE BBB+ Stable (Reaffirmed)
		Long		

	Term Loan	Term	3.86	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	6.22	ACUITE BBB+ Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Reaffirmed)
06 Sep 2021	Letter of Credit	Short Term	1.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee/Letter of Guarantee	Short Term	10.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Term Loan	Long Term	0.03	ACUITE BBB+ (Upgraded & Withdrawn)
	Term Loan	Long Term	6.22	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	3.86	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Proposed Long Term Loan	Long Term	1.03	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	PC/PCFC	Short Term	10.00	ACUITE BBB+ (Upgraded from ACUITE A3+)
	Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	70.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
SVC Co-Op Bank Limited	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	7.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
SVC Co-Op Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	30.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.11	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Indusind Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	70.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

- Oasis Distilleries Limited (ODL)
- Malbros International Private Limited (MIPL)

- Oasis Commercial Private Limited (OCPL)
- Oasis Overseas Exports Private Limited (OOEPL)
- Vijeta Beverages Private Limited (VBPL)
- Om Sons Marketing Private Limited (OSMPL)
- Oasis Ethanol Industries Private Limited (OEIPL)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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