

Press Release

Oren Hydrocarbons Private Limited



March 07, 2019

Rating Downgraded

Total Bank Facilities Rated*	Rs.250.00 Cr. #
Long Term Rating	ACUITE D (Downgraded from ACUITE BBB/Stable) Issuer not co-operating^
Short Term Rating	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^

#Refer Annexure for details

^The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE D' (read as ACUITE D)**' from '**ACUITE BBB' (read as ACUITE triple B)**' and Short term rating to '**ACUITE D' (read as ACUITE D)**' from '**ACUITE A3+' (read as ACUITE A three plus)**' to the Rs.250.00 crore bank facilities of Oren Hydrocarbons Private Limited (OHPL). This rating is now an indicative rating and is based on best available information.

The downgrade is in view of persistent delays in servicing the debt obligation.

Oren Hydrocarbons Private Limited (OHPL) was incorporated in 1990 and is based in Chennai. The company promoted by Mr. Rizwan Ahmad and Mrs. Sayeeda Ahmad is engaged in manufacturing and export of high quality Specialised Drilling Chemicals including Mud chemicals used in oil and gas exploration.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

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 endeavoured 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.

About the Rated Entity - Key Financials:

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	422.08	471.63	465.38
EBITDA	Rs. Cr.	48.41	56.94	54.68
PAT	Rs. Cr.	2.83	17.37	14.41
EBITDA Margin (%)	(%)	11.47	12.07	11.75
PAT Margin (%)	(%)	0.67	3.68	3.10
ROCE (%)	(%)	8.78	14.58	30.04
Total Debt/Tangible Net Worth	Times	1.76	1.92	1.96
PBDIT/Interest	Times	1.92	3.13	3.15
Total Debt/PBDIT	Times	5.00	3.91	3.65
Gross Current Assets (Days)	Days	303	223	213

Status of non-cooperation with previous CRA (if applicable):

None

Any other information:

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
30-Dec-2017	Export packing Credit/ Pre shipment credit in Foreign Currency *	Short Term	35.00	ACUITE A3+ (Assigned)
	Export packing Credit/ Pre shipment credit in Foreign Currency **	Short Term	20.00	ACUITE A3+ (Assigned)
	Export packing Credit/ Pre shipment credit in Foreign Currency	Short Term	20.00	ACUITE A3+ (Assigned)
	Export packing Credit/ Pre shipment credit in Foreign Currency ***	Short Term	20.00	ACUITE A3+ (Assigned)
	Export packing Credit/ Pre shipment credit in Foreign Currency	Short Term	30.00	ACUITE A3+ (Assigned)
	Pre Shipment Financing ****	Short Term	35.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB/Stable (Assigned)
	Cash Credit *****	Long Term	10.00	ACUITE BBB/Stable (Assigned)
	Buyers Credit #	Short Term	10.00	ACUITE A3+ (Assigned)
	Letter of Credit ##	Short Term	2.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A3+ (Assigned)
	Letter of Credit ###	Short Term	20.00	ACUITE A3+ (Assigned)
	Letter of Credit #####	Short Term	10.00	ACUITE A3+ (Assigned)

	Short Term (Proposed)	Short Term	18.00	ACUITE A3+ (Assigned)
--	-----------------------	------------	-------	-----------------------

* Includes sublimit of FBP/FBD/ EBRD to the extent of Rs. 35.00 crore, Cash Credit to the extent of Rs. 5.00 crore

** Includes sublimit of Cash Credit to the extent of Rs. 10.00 crore

*** Includes sublimit of Cash Credit to the extent of Rs. 5.00 crore

**** Includes sublimit of Overdraft facility to the extent of Rs. 10.00 crore

***** Includes sublimit of EPC/ PCFC and FBD/ FBP/ PSCFC to the extent of Rs. 20.00 crore

#includes sublimit of Letter of Credit to the extent of Rs. 10.00 crore

Includes sublimit of Bank Guarantee to the extent of Rs. 5.00 crore

Includes sublimit of Bank Guarantee to the extent of Rs. 5.00 crore

Includes sublimit of Buyers Credit to the extent of Rs. 10.00 crore

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Export packing Credit/ Pre shipment credit in Foreign Currency *	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^
Export packing Credit/ Pre shipment credit in Foreign Currency **	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^
Export packing Credit/ Pre shipment credit in Foreign Currency	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^
Export packing Credit/ Pre shipment credit in Foreign Currency ***	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^
Export packing Credit/ Pre shipment credit in Foreign Currency	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^
Pre Shipment Financing ****	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D (Downgraded from ACUITE BBB/Stable) Issuer not co-operating^
Cash Credit *****	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D (Downgraded from ACUITE BBB/Stable) Issuer not co-operating^
Buyers Credit #	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^

Letter of Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^
Letter of Credit ###	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^
Letter of Credit #####	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^
Short Term (Proposed)	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE D (Downgraded from ACUITE A3+) Issuer not co-operating^

[^]The issuer did not co-operate; based on best available information.

* Includes sublimit of FBP/FBD/ EBRD to the extent of Rs. 35.00 crore, Cash Credit to the extent of Rs. 5.00 crore

** Includes sublimit of Cash Credit to the extent of Rs. 10.00 crore

*** Includes sublimit of Cash Credit to the extent of Rs. 5.00 crore

**** Includes sublimit of Overdraft facility to the extent of Rs. 10.00 crore

***** Includes sublimit of EPC/ PCFC and FBD/ FBP/ PSCFC to the extent of Rs. 20.00 crore

#includes sublimit of Letter of Credit to the extent of Rs. 10.00 crore

Includes sublimit of Bank Guarantee to the extent of Rs. 5.00 crore

Includes sublimit of Bank Guarantee to the extent of Rs. 5.00 crore

Includes sublimit of Buyers Credit to the extent of Rs. 10.00 crore

Contacts

Analytical	Rating Desk
Sri Hari Adari Head - Rating Operations Tel: +91 40-4027 4590 srihari.adari@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Bhavani Sankar Oruganti Sr. Rating Analyst - Rating Operations Tel: +91 40-4005 5452 bhavanisankar.orunganti@acuiteratings.in	

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.