



Ref.OML:OCT:2017-18

DATED: 22.10.2018

Listing Department,
Metropolitan Stock Exchange of India Limited
Vibgyor Towers, 4th floor,
Plot No C 62, Opp. Trident Hotel
Bandra Kurla Complex, Bandra (E),
Mumbai - 400098
Email Id: listingcompliance@msei.in.
Script code: OSWALMIN

Sub: Disclosure under Reg. 30 of SEBI (LODR) Regulations, 2015.

Dear Sir/Madam,

Pursuant to the requirement under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the rating Committee of Crisil, vide its letter No. GDS14050/205519/BLR/091800083 dated 3-09-2018, received by the Company vide email dated 22-10-2018 has assigned a long-term rating of **[CRISIL]BBB-/Stable** (pronounced as **Triple B minus**) for 112 Crore line of Credit.

This is for your information and record.

Thanking you,
Yours faithfully,
For **OSWAL MINERALS LIMITED**



MOHANLAL BHARATH KUMAR JAIN
WHOLE TIME DIRECTOR
DIN: 01252633

Encl:a/a

OSWAL MINERALS LIMITED

Correspondence : "Oswal's, # 1034, 2nd Floor, 1st Main Road, Dr. Rajkumar Road, 4th Block, Rajajinagar, Bengaluru-560 010 Ph.: 080-4309 0000 E-mail: oswalgroup@vsnl.com/ Website: www.oswalminerals.com

Regd. Off. : # 8/11, Police Station Road, Pallavaram, Chennai-600 043
CIN: L30006TN1996PLC035973 PAN No. AACCM6499G

Ratings

CRISIL

An S&P Global Company

Rating Rationale

August 31, 2018 | Mumbai

Oswal Minerals Limited

Rated amount enhanced

Rating Action

Total Bank Loan Facilities Rated	Rs.112 Crore (Enhanced from Rs.100 Crore)
Long Term Rating	CRISIL BBB-/Stable (Reaffirmed)
Short Term Rating	CRISIL A3 (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL's ratings on the bank facilities of Oswal Minerals Limited (OML) continue to reflect its established market position in ferro alloy segment, its diversified product profile, and moderate financial risk profile. These strengths are offset by exposure to risks from volatility in material prices, segmental concentration and large working capital requirements.

CRISIL had assigned its 'CRISIL BBB-/Stable/CRISIL A3' ratings to the bank facilities of OML on August 13, 2018.

Analytical Approach

CRISIL has treated 75% of unsecured loans extended by promoters (around Rs 100 crore) as quasi-equity, and the balance 25% as debt, as these are subordinated to external debt, and expected to remain in business for next five years.

Key Rating Drivers & Detailed Description

Strengths

* **Established market position in the ferro alloy segment:** OML has garnered sizeable market share in the ferro alloy segment, and has an established clientele. Revenue has grown at a compound annual growth rate of about 25% over last two fiscals 2017 and 2018, and will continue to be aided by better realisations, addition of new clients and geographical expansion. Furthermore, promoters' experience of over 4 decades in ferro alloy industry and their nuances should support its business risk profile over the medium term.

* **Diversified product portfolio:** The company trades in over 100 varieties of products, including ores, minerals and alloys, and caters demand from the domestic and export markets.

* **Moderate financial risk profile:** Financial risk profile is marked by a modest capital structure and debt protection metrics. Gearing stood at 1.81 times as on March 31, 2018, supported by a healthy network. Interest coverage ratio has been stable around 1.5 times over the past two fiscals. Significant portion of debt representing unsecured loan from directors, also lends comfort to the financial risk profile.

Weaknesses

* **Exposure to risks arising from volatility in material prices and segmental concentration:** Ore and alloy prices are highly volatile, and are driven by global factors. Any sharp price fluctuations could adversely impact OML's business and financial risk profiles. Furthermore, ferro alloy players are highly dependent on growth prospects of the steel industry, hence OML shall remain exposed to cyclicalities in the steel industry.

* Large working capital requirement

OML's working capital requirement is large marked by gross current assets of 146 days as on March 31, 2018. OML offers moderate credit period to its customers in the range of 45 to 90 days and holds moderate levels of inventory leading to its large working capital requirement. This is partly offset by credit it receives from its suppliers to the extent of about 30 days. OML's operation shall remain working capital intensive over the medium term.

Outlook: Stable

CRISIL believes OML will continue to benefit from its established market position in the ferro alloy industry, and extensive experience of the promoters. The outlook may be revised to 'Positive' if growth in revenue and profitability, amidst a stable working capital cycle, strengthens the financial risk profile. The outlook may be revised to 'Negative' if lower-than-expected revenue and profitability, or any large withdrawal of unsecured loan weakens the financial risk profile, especially liquidity.

About the Company

OML, which was set up in 1996, trades in various ferro alloys, ore and other minerals. Operations are managed by Mr Sripal

Kumar Jain, Mr Mohanlal Bharath Kumar Jain and Mr Subash Chand Mohanlal Jain.

Key Financial Indicators

Particulars	Unit	2018	2017
Revenue	Rs crore	1020.46	829.29
Profit After Tax (PAT)	Rs crore	4.6	4.44
PAT Margins	%	0.45	0.54
Adjusted debt/Adjusted networth	Times	1.81	1.63
Interest coverage	Times	1.47	1.46

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Rating assigned with outlook
NA	Cash Credit	NA	NA	NA	104	CRISIL BBB-/Stable
NA	Inland/Import Letter of Credit	NA	NA	NA	8	CRISIL A3

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2018 (History)		2017		2016		2015		Start of 2015
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund-based Bank Facilities	LT/ST	104.00	CRISIL BBB-/Stable	13-08-18	CRISIL BBB-/Stable		--		--		--	--
Non Fund-based Bank Facilities	LT/ST	8.00	CRISIL A3	13-08-18	CRISIL A3		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit	104	CRISIL BBB-/Stable	Cash Credit	92	CRISIL BBB-/Stable
Inland/Import Letter of Credit	8	CRISIL A3	Inland/Import Letter of Credit	8	CRISIL A3
Total	112	--	Total	100	--

Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Criteria for rating trading companies](#)

[CRISILs Bank Loan Ratings](#)

[The Rating Process](#)

[Understanding CRISILs Ratings and Rating Scales](#)

For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
Saman Khan Media Relations CRISIL Limited	Nitin Kansal Director - CRISIL Ratings CRISIL Limited	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301

D: +91 22 3342 3895
B: +91 22 3342 3000
saman.khan@crsil.com

Naireen Ahmed
Media Relations
CRISIL Limited
D: +91 22 3342 1818
B: +91 22 3342 3000
naireen.ahmed@crsil.com

D: +91 124 672 2154
nitin.kansal@crsil.com

Dinesh Jain
Associate Director - CRISIL Ratings
CRISIL Limited
D: +91 44 6656 3115
Dinesh.Jain@crsil.com

Karthikeyan V
Rating Analyst - CRISIL Ratings
CRISIL Limited
D: +91 44 6656 3121
Karthikeyan.V@crsil.com

For a copy of Rationales / Rating Reports:
CRISILratingdesk@crsil.com

For Analytical queries:
ratingsinvestordesk@crsil.com

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

About CRISIL Limited

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

About CRISIL Ratings

CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 1,10,000 MSMEs have been rated by us.

CRISIL PRIVACY

CRISIL respects your privacy. We may use your contact information, such as your name, address, and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer forms part of and applies to each credit rating report and/or credit rating rationale that we provide (each a "Report"). For the avoidance of doubt, the term "Report" includes the information, ratings and other content forming part of the Report. The Report is intended for the jurisdiction of India only. This Report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this Report does not create a client relationship between CRISIL and the user.

We are not aware that any user intends to rely on the Report or of the manner in which a user intends to use the Report. In preparing our Report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the Report is not intended to and does not constitute an investment advice. The Report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind or otherwise enter into any deal or transaction with the entity to which the Report pertains. The Report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Rating are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities / instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL assumes no obligation to update its opinions following publication in any form or format although CRISIL may disseminate its opinions and analysis. CRISIL rating contained in the Report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the Report should rely on their own judgment and take their own professional advice before acting on the Report in any way.

Neither CRISIL nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "CRISIL Parties") guarantee the accuracy, completeness or adequacy of the Report, and no CRISIL Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Report. EACH CRISIL PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. CRISIL's public ratings and analysis as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any) are made available on its web sites, www.crisil.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee – more details about CRISIL ratings are available here: www.crisilratings.com.

CRISIL and its affiliates do not act as a fiduciary. While CRISIL has obtained information from sources it believes to be reliable, CRISIL does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and / or relies in its Reports. CRISIL keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of CRISIL may have information that is not available to other CRISIL business units. CRISIL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL has in place a ratings code of conduct and policies for analytical firewalls and for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>

CRISIL's rating criteria are generally available without charge to the public on the CRISIL public web site, www.crisil.com. For latest rating information on any instrument of any company rated by CRISIL you may contact CRISIL RATING DESK at CRISILratingdesk@crisil.com, or at (0091) 1800 267 1301.

This Report should not be reproduced or redistributed to any other person or in any form without a prior written consent of CRISIL.

CONFIDENTIAL

GDS14050/205519/BLR/091800083
September 03, 2018

Mr. Sripal Kumar Mohanlal
Managing Director
Oswal Minerals Limited
1034, 2nd Floor, 1st Main Road
(Dr. Rajkumar Road),
Rajajinagar 4th Block,
Bangalore - 560010
Tel:

Dear Mr. Sripal Kumar Mohanlal,

Re: Review of CRISIL Ratings on the bank facilities of Oswal Minerals Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please find in the table below the ratings outstanding for the debt instruments/facilities of the company, and the rating actions by CRISIL on the ratings as on date.

Total Bank Loan Facilities Rated	Rs.112 Crore (Enhanced from Rs.100 Crore)
Long-Term Rating	CRISIL BBB-/Stable (Reaffirmed)
Short-Term Rating	CRISIL A3 (Reaffirmed)

(Bank-wise details as per Annexure 1)

As per our Rating Agreement, CRISIL would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility. CRISIL reserves the right to withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the ratings.

This letter will remain valid till August 25, 2019. After this date, please insist for a new rating letter (dated later than August 25, 2019). Please visit www.crisil.com to confirm that the rating continues to be under surveillance and the rating is still valid.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Nitin Kansal
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL Limited

Corporate Identity Number: L67120MH1987PLC042363

Annexure 1 - Bank-wise details of various facility classes (outstanding facilities)

S.No.	Bank Facility	Bank	Amount (Rs. in Crore)	Outstanding Rating
1	Cash Credit	HDFC Bank Limited	12.0	CRISIL BBB-/Stable
2	Cash Credit	YES Bank Limited	30.0	CRISIL BBB-/Stable
3	Cash Credit	Citibank N. A.	32.0	CRISIL BBB-/Stable
4	Cash Credit	RBL Bank Limited	30.0	CRISIL BBB-/Stable
5	Inland/Import Letter of Credit	HDFC Bank Limited	8.0	CRISIL A3
	Total		112.0	

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL Limited

Corporate Identity Number: L67120MH1987PLC042363