

Oswal Minerals Limited

September 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	3.20 (Reduced from 7.00)	CARE BB; Stable	Downgraded from CARE BB+; Stable
Long Term / Short Term Bank Facilities	100.00	CARE BB; Stable / CARE A4	Downgraded from CARE BB+; Stable / CARE A4+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Oswal Minerals Limited (OML) factors in continuing sizeable receivables position of the company that are overdue for over six months. Such receivables form around 70% of OML's total receivables as on June 30, 2025, and is ~2.7x of the company's net worth. At the same time, repayment of unsecured loans during FY25 while stretching the creditors further mandates timely recovery of the outstanding receivable balances in timely as otherwise it would have impact on the credit profile of the company. Nevertheless, CARE Ratings Limited (CareEdge Ratings) takes note of infusion of unsecured loan during Q1FY26 to repay creditors to a certain extent. Ratings are further constrained by the company's prospects being linked to the steel sector, which is inherently cyclical and absence of a formal hedging mechanism, exposing OML's realisations and margins to commodity price and forex fluctuation risks.

These rating weaknesses are partially offset by experienced and resourceful promoters, who infuse funds as unsecured loans as required and have also arranged letter of credit (LC) limits for the company by pledging fixed deposits (FDs) in their individual capacities. Ratings also derive strength from OML's established market position in the ferroalloy segment, especially in South India, with a diversified product base and a reputed clientele.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improving scale of operations above ₹3,500 crore with interest coverage ratio (ICR) more than 3x and sizeable collection of receivables of over six months on a sustainable basis.

Negative factors

- Total operating liabilities to total net worth (TOL/TNW) of over 5x or ICR less than 1.5x.
- More-than-envisaged delay in receipt of receivables

Analytical approach: Standalone

Outlook: Stable

Stable Outlook reflects CareEdge Ratings' expectation that the company would maintain its sales volume aided by its established relationships with customers and suppliers.

Detailed description of key rating drivers:

Key weaknesses

Fluctuating profitability margins

Company being into metal trading, its profitability is susceptible to fluctuation in commodity prices. Moreover, the company maintains inventory levels of 45-60 days which further impacts its profitability in case of price variations. After reporting PBDIT loss of Rs. 42.7 crore in FY24, company reported PBDIT of Rs. 25.0 crore in FY25, however, has again incurred operating loss of Rs. 7.4 crore in Q1FY26. Company's ability to rationalize its inventory and to minimize the impact of price fluctuation would be key to its prospects.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Continuing large receivable balance older than six months

Company's total receivables continue to remain high at Rs. 765 crore as on Mar'25 as against Rs. 827 crore as on Mar'24. Around 68% of total receivables as on March 31, 2025 are older than six months; 50% of the total receivables are pending from two companies which is due for more than one year. The company has undertaken one of the manufacturing plants of its customers against partial recovery of receivables. Recovery of the receivables remains a key monitorable and under-recovery of the same may impact the profitability and capital structure of the company. CareEdge Ratings, however, positively takes note that there are no further addition to the receivables that have been long overdue during past one year. The company now supplies against advance payment or LC backed.

Leveraged capital structure

Company's TOL/TNW continued to remain high at 4.45x as on Mar'25 as against 4.22x as on March 31, 2024. During FY25, company stretched its creditors to repay unsecured loans from the promoters. Creditors of the company has stretched to Rs. 804 crore as on March 31, 2025 from Rs. 593 crore as on March 31, 2024. Nevertheless, promoters infused unsecured loan of Rs. 52 crore in Q1FY26 to repay creditors to certain extent. Timely receipt of long overdue receivables is critical for bringing down the creditor levels and to improve capital structure.

Realisations and margins exposed to commodity price and foreign exchange fluctuations

OML is exposed to commodity price fluctuations but manages it by creating cost sheets and setting margins on receiving client orders. Market conditions also influence margins, and the company cannot fully pass on price fluctuation risks to customers, impacting profitability. OML is vulnerable to foreign exchange volatility, as 70-90% of its purchases are imports. Sales are distributed across India and some international markets, with exports making up 10-18% of total sales from FY22 to FY25. The company's margins are highly susceptible to foreign currency fluctuations due to lack of an active hedging policy. During FY25, OML has incurred net losses of ₹15.51 crores from foreign currency fluctuations, as compared to ₹6.10 crore in FY24.

Presence in a highly competitive and cyclical industry

Demand for OML's products is derived from demand emanating from the steel industry, which is a major purchaser of ferroalloys. The steel industry is highly competitive due to presence of organised and unorganised players and limited product diversity due to commodity nature of products. Over the years, the industry has become more organised, with the share of unorganised players reducing, but margins continuing to be impacted due to fragmentation of the industry. The steel industry is sensitive to shifting business cycles, including changes in general economy, interest rates, and seasonal changes in demand and supply conditions in the market.

Key strengths

Experienced and resourceful promoters supported by experienced directors

Promoters have over four decades of experience in trading metals and ferroalloy minerals. The company is currently managed by Sripal Kumar Mohanlal, Mohanlal Bharath Kumar Jain, and Subhashchand Mohanlal. The company has over three decades of experience in a similar line of business. It has also received funding support from promoters as equity and unsecured loans. As on March 31, 2025, Directors and promoters have infused unsecured loans of ~₹270 crore, of which, ₹150 crore is subordinated to the bank. Apart from infusing unsecured loans, promoters have also arranged LC limits for the company by pledging FDs in their individual capacities. CareEdge Ratings expects long-standing experience of promoters in the business to help the company mitigate its short-term disruptions.

Established market position in the ferroalloy segment with a diversified product base

OML has garnered a sizeable market share in the ferroalloy segment and has built an established clientele. The four-decade-long experience of promoters in the ferroalloy industry and their understanding of market dynamics will continue to support the company's business risk profile. OML trades in over 100 steel product varieties, including ores, minerals, and alloys and caters to demand from domestic and export markets. However, top five products, mainly manganese ore, ferrosilicon manganese, primary nickel, low carbon ferrochrome, and roasted molybdenum ore concentrates contribute to ~70-80% of the company's total sales.

Liquidity: Stretched

The company's liquidity is constrained by continuing long overdue receivables which has witnessed slow recovery as well as increased creditors outstanding. The company's working capital utilisation levels have also increased and has been near full. Nevertheless, liquidity is supported by the support received from its promoters in the form of unsecured loans who have infused Rs. 52 crores in Q1FY26. Company reported cash and cash equivalents of Rs. 0.04 crore as on June 30, 2025.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

OML was setup in 1996 and is engaged in domestic and international trading ferroalloys including silicomanganese and ferromanganese and other minerals such as manganese and nickel, among others. The company has 10 branches across the country. It is currently managed by Sripal Kumar Mohanlal, Mohanlal Bharath Kumar Jain, and Subhashchand Mohanlal.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	June 30, 2025 (UA)
Total operating income	1,898.85	2,072.82	306.30
PBILDT	-42.72	25.04	-7.43
PAT	-54.76	21.00	-11.77
Overall gearing (times)	1.30	0.86	NA
Interest coverage (times)	-2.18	1.32	NA

A: Audited UA: Unaudited; NA: Not Available Note: these are latest available financial results

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	February 2026	3.20	CARE BB; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	-	-	-	-	100.00	CARE BB; Stable / CARE A4

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	3.20	CARE BB; Stable	-	1)CARE BB+; Stable (30-Aug-24)	1)CARE BBB-; Stable (01-Sep-23)	1)CARE BBB; Stable (02-Aug-22)
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	100.00	CARE BB; Stable / CARE A4	-	1)CARE BB+; Stable / CARE A4+ (30-Aug-24)	1)CARE BBB-; Stable / CARE A3 (01-Sep-23)	1)CARE BBB; Stable / CARE A3+ (02-Aug-22)

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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