

Oswal Minerals Limited

August 27, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / Short-term bank facilities	RBI	-	-	Reaffirmed at CARE BB; Stable / CARE A4 and Withdrawn
Long-term bank facilities	RBI	-	-	Reaffirmed at CARE BB; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn outstanding ratings assigned to bank facilities of Oswal Minerals Limited (OML) with immediate effect. This action has been taken at the request of OML and 'No Objection Certificate' received from the bank that had extended facilities rated by CareEdge Ratings.

Ratings assigned to bank facilities of OML) continue to be constrained by losses reported in FY26, sizeable receivables position of the company that are overdue for over six months. 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.

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

The company being into metal trading, its profitability is susceptible to fluctuation in commodity prices. The company maintains inventory levels of 45-60 days, which further impacts its profitability in case of price variations. The company reported profit before depreciation, interest, and taxes (PBDIT) loss in FY26, due to fluctuation in commodity prices and absence of formal hedging mechanism.

Continuing large receivable balance older than six months

The company's total receivables continue to remain high at ₹807 crore in March 2026 against ₹765 crore in March 2025. As on March 31, 2026, ~61% of total receivables are older than six months. Recovery of the receivables remains a key monitorable and under-recovery of the same may impact the company's profitability and capital structure.

Leveraged capital structure

The company's total outside liabilities to tangible net worth (TOL/TNW) continued to remain high at 5.70x on March 31, 2026, against 4.45x as on March 31, 2025. Due to weak profitability, the company has to stretch creditor payments to manage working capital.

Realisations and margins exposed to commodity price and foreign exchange fluctuations

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

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. The company's margins are highly susceptible to foreign currency fluctuations due to lack of an active hedging policy. In FY26, OML has incurred net losses of ₹9.29 crore from foreign currency fluctuations, compared to ₹15.51 crore in FY25.

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, 2026, Directors and promoters have infused unsecured loans of ~₹260 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, comprising manganese ore, ferrosilicon manganese, primary nickel, low carbon ferrochrome, and roasted molybdenum ore concentrates contribute ~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 and increased creditors outstanding. The company's working capital utilisation levels have also increased and has been near full. Liquidity is supported by the support received from its promoters in the form of unsecured loans. The company reported cash and cash equivalents of ₹0.80 crore as on March 31, 2026.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial services and supplies	Trading and distributors

OML was setup in 1996 and is engaged in domestic and international trading of ferro alloys, such as silico manganese and ferro manganese and other minerals like manganese, and nickel among others. The company has ~10 branches spread across all over India. The company is managed by Sripal Kumar Mohanlal, Mohanlal Bharath Kumar Jain, and Subhashchand Mohanlal. OML is part of Oswal group. The group has three companies OML, Oswal Alloys Private Limited, and Oswal Smelters Private Limited, which are engaged in activities in the steel and ferro alloy value chain.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)	June 30, 2026 (UA)
Total operating income	2,072.82	1,572.26	584.10
PBILDT*	25.04	-32.67	20.24

Profit after tax (PAT)	21.00	-48.64	13.22
Overall gearing (x)	0.86	0.93	-
Interest coverage (x)	1.32	-1.93	4.53

A: Audited; UA: Unaudited; Note: These are latest available financial results.

*PBILDT: Profit before interest, lease rentals, depreciation, and tax.

Status of non-cooperation with previous CRA: Not applicable.

Any other information: Not applicable

Rating history for last three years: Annexure-2

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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Simple	-	-	-	28-02-2026	0.00	Withdrawn
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	RBI	Simple	-	-	-	-	0.00	Withdrawn

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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	-	-	1)CARE BB; Stable (27-Aug-26)	1)CARE BB; Stable (16-Sep-25)	1)CARE BB+; Stable (30-Aug-24)	1)CARE BBB-; Stable (01-Sep-23)
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	-	-	1)CARE BB; Stable / CARE A4 (27-Aug-26)	1)CARE BB; Stable / CARE A4 (16-Sep-25)	1)CARE BB+; Stable / CARE A4+ (30-Aug-24)	1)CARE BBB-; Stable / CARE A3 (01-Sep-23)

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: 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.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saiikat.roy@careedge.in	Analytical Contacts Karthik Raj K Director CARE Ratings Limited Phone: +91-80-4662 5555 E-mail: karthik.raj@careedge.in Himanshu Jain Associate Director CARE Ratings Limited Phone: +91-80-4662 5528 E-mail: himanshu.jain@careedge.in Raj Dave Rating Analyst CARE Ratings Limited E-mail: Raj.dave@careedge.in
---	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**

