

Press Release

Oswal Seeds and Chemicals

October 29, 2018



Rating Update

| | |
|------------------------------------|---------------------------------------|
| Total Bank Facilities Rated | Rs. 7.75 Cr. # |
| Long Term Rating | ACUITE B+ Issuer not co-operating* |

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed long-term rating of '**ACUITE B+** (**read as ACUITE B plus**) to the Rs. 7.75 crore bank facilities of Oswal Seeds and Chemicals (OSC). This rating is now an indicative rating and is based on best available information.

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/view-rating-criteria-17.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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

OSC, established by Mr. Sanjay Begani and Mr. Anil Nahata in 2002, is engaged in the processing of agricultural seeds at Neemuch (Madhya Pradesh). The firm has an installed capacity of 2,00,000 quintal per annum and sells seeds under the 'Oswal' brand name in Madhya Pradesh, Maharashtra and Bihar.

For FY2016–17 (Provisional), OSC reported net profit of Rs.0.69 crore on operating income of Rs.42.84 crore, compared to net profit of Rs.0.37 crore on operating income of Rs.38.78 crore in FY2015–16. The net worth stood at Rs.5.57 crore as on 31 March, 2017 (Provisional) as against Rs.4.78 crore, a year earlier.

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

Not applicable

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 |
|-------------|---------------------------------|-----------|------------------|-------------------------------|
| 10-Oct-2017 | Cash Credit | Long Term | 7.00 | ACUITE B+ / Stable (Upgraded) |
| | Term Loan | Long Term | 0.75 | ACUITE B+ / Stable (Upgraded) |
| 14-Jul-2017 | Cash Credit | Long Term | 7.00 | ACUITE B (Indicative) |
| | Term Loan | Long Term | 0.75 | ACUITE B (Indicative) |
| 31-Mar-2016 | Cash Credit | Long Term | 7.00 | ACUITE B / Stable (Assigned) |
| | Term Loan | Long Term | 0.75 | ACUITE B / Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|---------------------------------------|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 7.00 | ACUITE B+ Issuer not co-operating* |
| Term loans | Not Applicable | Not Applicable | Not Applicable | 0.75 | ACUITE B+ Issuer not co-operating* |

*The issuer did not co-operate; Based on best available information.

Contacts

| Analytical | Rating Desk |
|---|---|
| Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in Sushmita Murai Analyst - Rating Operations Tel: 022-49294055 sushmita.murai@acuite.ratings.in | Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.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.