



INFOMERICS VALUATION AND RATING PVT. LTD.

Integrated Financial Omnibus Metrics Research of International Corporate Systems

March 31, 2022

Mahendra Kumar Ostwal,
Promoter Director
Krishana Phoschem Limited,
5-O-20, Basement,
R.C. Vyas Colony,
Bhilwara (Rajasthan) 311001.

Dear Sir,

Credit rating for bank facilities

1. After taking into account all the relevant recent developments including operational and financial performance of your company.

Our Rating Committee has reviewed the following rating:

Sl. No	Instrument/Facility	Amount (INR. Crore)	Current Ratings	Previous Ratings	Rating Action
1.	Long Term Fund Based Bank Facility – Term Loan	153.80 (Increased from INR12.35 Crore)	IVR A-/Stable (IVR A Minus with Stable Outlook)	IVR BBB+/Stable Outlook (IVR Triple B Plus with Stable Outlook)	Revised
2.	Long Term Fund Based Bank Facility – Cash Credit	29.75 (Increased from INR17.00 Crore)	IVR A-/Stable (IVR A Minus with Stable Outlook)	IVR BBB+/Stable Outlook (IVR Triple B Plus with Stable Outlook)	Revised
3.	Long Term Fund Based Bank Facility – GECL (Working Capital Term Loan)	4.73	IVR A-/Stable (IVR A Minus with Stable Outlook)	--	Assigned
3.	Short Term Non -Fund Based Bank Facility – Letter of Credit	20.00 (Reduced from INR25.00 Crore)	IVR A2+ (IVR A Two Plus)	IVR A2 (IVR Single A Two)	Revised

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4.	Short Term Non -Fund Based Bank Facility – Pre Settlement Risk (PSR)	3.00	IVR A2+ (IVR A Two Plus)	--	Assigned
5.	Proposed Long Term Fund Based Facility – Term Loan	INR22.00 (Reduced from 195.00 Crore)	IVR A-/Stable (IVR A Minus with Stable Outlook)	IVR BBB+/Stable Outlook (IVR Triple B Plus with Stable Outlook)	Revised
6.	Proposed Long Term Fund Based Facility – Cash Credit	20.07 (Increased from INR3.00 Crore)	IVR A-/Stable (IVR A Minus with Stable Outlook)	IVR BBB+/Stable Outlook (IVR Triple B Plus with Stable Outlook)	Revised
		253.35			

For arriving at the rating, Infomerics has considered the consolidated financial profiles of OPL, MBAPL, KPL, SGFL and SIPL, together known as Oswal Group, to arrive at the rating. The consolidation is on account of common management, similar line of business, and significant operational and financial linkages during the year.

List of group companies considered for consolidation:

Name of the Company	Extent of Consolidation
<i>Oswal Phoschem (India) Limited</i>	<i>Full*</i>
<i>Madhya Bharat Agro Products Limited (Subsidiary)</i>	<i>Full*</i>
<i>Krishana Phoschem Limited (Subsidiary)</i>	<i>Full*</i>
<i>Shri Ganpati Fertilizers Limited (Subsidiary)</i>	<i>Full*</i>
<i>Seasonal International Private Limited (Associate)</i>	<i>Up to the extent of share in profit @40%**</i>

***Intercompany transaction has been adjusted as per Infomerics standard.**

****Consolidation is on the basis of Equity Method as per AS 23 (Accounting for Investments in Associates in Consolidated Financial Statements)**

2. Details of the credit facilities are attached in **Annexure I**. Our rating symbols for long-term and short-term ratings and explanatory notes thereon are attached in **Annexure II**.
3. The press release for the rating(s) will be communicated to you shortly.
4. The above rating is normally valid for a period of one year from the date of communication of the rating to you (that is, **March 31st, 2022**).



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5. If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.
6. INFOMERICS reserves the right to undertake a surveillance/review of the rating(s) from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS, circumstances warrant such surveillance/review.
8. **You shall provide us with a No Default Statement as at the last date of the month on the first date of succeeding month without fail.** The NDS shall be mailed every month to nds@infomerics.com and to the mail id of the undersigned.
9. **You shall provide the quarterly performance results/quarterly operational data to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**
10. You shall furnish all material information and any other information called for by INFOMERICS in a timely manner, for monitoring the rating assigned by INFOMERICS. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERICS shall carry out the review/annual surveillance based on best available information throughout the lifetime of such bank facilities as per the policy of INFOMERICS.
11. Please note that INFOMERICS ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. INFOMERICS does not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
12. Users of this rating may kindly refer our website www.infomerics.com for latest update on the outstanding rating.
13. Further, this is to mention that all the clauses mentioned in the initial rating letter are also applicable. If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

With Regards,



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Jayshree Purohit

Rating Analyst

Email: jpurohit@infomerics.com

Jayshree

Continuation Sheet No.

For, [Signature]

Amit Bhuwania

Asst. Vice President

Email: abhuania@infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

ANNEXURE I

1. Long-term facilities

1. A. Fund Based Facility 1 –Term Loan

Sr. No.	Lender/Facility	Rated Amount (INR Crore)	Remarks	Maturity
1.	HDFC Bank	58.80	Existing	Up to February, 2031
2.	Axis Bank	95.00	Existing	
3.	Proposed Facility	22.00	Proposed	
	Total	175.80		

1. B. Fund Based Facility 1 –Cash Credit

Sr. No.	Lender	Rated Amount (INR Crore)	Remarks	Maturity
1.	Axis Bank	4.75	Existing	-
2.	HDFC Bank	25.00	Existing	-
3.	Proposed	20.07	Proposed	
	Total	49.82		

1. B. Fund Based Facility 1 – GECL (Working Capital Term Loan)



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Sr. No.	Lender	Rated Amount (INR Crore)	Remarks	Maturity
4.	HDFC Bank	4.73	Existing	Up to April, 2027
	Total	4.73		

5. Short Term Non Fund Based Facility

2.A.Facility 1- Letter of Credit

Sr. No.	Lender	Rated Amount (INR Crore)	Remarks	Maturity
1.	HDFC Bank	20.00	Existing	--
	TOTAL	20.00		

2.B.Facility 1-PSR

Sr. No.	Lender	Rated Amount (INR Crore)	Remarks	Maturity
1.	HDFC Bank	3.00	Existing	--
	TOTAL	3.00		

ANNEXURE II

INFOMERICS Rating Scale for Long Term and Short Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk
IVR AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk
IVR A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk
IVR BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk
IVR BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations
IVR B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations



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IVR C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations
IVR D	Instruments with this rating are in default or are expected to be in default soon

INFOMERICS may apply '+' (plus) or '-' (minus) signs for ratings assigned 'IVR AA' to 'IVR C' to indicate their relative standing within the category.

INFOMERICS may assign rating outlooks for ratings from IVR 'AAA' to IVR 'B'.

INFOMERICS Rating Scale for Short Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
IVR A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
IVR A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
IVR A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
IVR D	Instruments with this rating are in default or expected to be in default on maturity in servicing of debt obligations.

INFOMERICS may apply '+' (plus) signs for ratings assigned from 'IVR A1' to 'IVR A4' to indicate their relative standing within the category.