

Rating Rationale

G.R. Minerals And Industries Private Limited

21st April 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 7.85 Crs of G.R. Minerals And Industries Private Limited ('GRMIPL' or the 'Company')

Particulars

Facility Rated	Amounts (Rs. Crs)		Tenure	Ratings [^]	
	Previous	Present		Previous	Present
<u>Fund Based</u>					
Cash Credit TL (O/s)	5.50 1.34	4.50 0.35*	Long Term	BWR BB+ Outlook: Stable	BWR BB+ (Pronounced BWR Double B Plus) Outlook: Stable (Re-affirmation)
<u>Non- Fund Based</u>					
LC (sublimit of CC) LC	(3.00) 0.00	0.00 3.00	Short Term	BWR A4+	BWR A4+ (Pronounced BWR A Four Plus)
Total	6.84	7.85 (Rupees Seven Crores And Eighty Five Lakhs Only)			

[^] Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Term Loan Outstanding as on 31st March, 2017

Rating reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financials of the Company up-to FY16, projections up-to FY19 and publicly available information and information/clarifications provided by the management.

The Ratings continue to factor in promoters' experience in Iron & Steel Industry, synergy from similar business group concerns, established relationship with clients and suppliers, optimal capacity utilization and adequate debt coverage capacity. The ratings are however constrained by the relatively smaller scale of operations, thin margins, susceptibility to fluctuations in prices and cyclical nature of the industry. Going forward, the Company's ability to improve its turnover, margins and net-worth would remain the key rating sensitivities.

Rating Outlook: Stable

BWR believes the G.R. Minerals And Industries Private Limited's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating



change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit margins show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and margins show lower than expected figures.

About the Company

“G.R. Minerals And Industries Private Limited” was incorporated as a Private Limited Company in 1996. The registered office of the Company is in Samta Colony, Raipur.

The Company was initially started by the name of G.P Fincap Pvt. Ltd., formed with an objective of carrying out financing activities. The name of the Company was changed to G.R. Minerals And Industries Private Limited in 2003, with an objective of installation of Ferro Alloy plant. The current promoter Directors has taken up the responsibility of the operations from 2006.

‘GRMIPL’ is engaged in manufacturing of Ferro Alloys. The manufacturing unit of the Company is located in Sialtara, Industrial Area, Raipur; having an installed capacity of 8000 MTPA. The Company has two submerged arc furnaces of 4MVA capacity each. The Company avails power from one of the group Company, named G R Sponge and Power Limited, which has its owns captive power plant. Clients of the Company are mainly steel manufacturing companies from Raipur, Kolkata, Ahmadabad etc.

The Company is a part of “G R Group” of Companies, mainly engaged in manufacturing of sponge iron. Mr. Keshav Agrawal and Mr. Chetan Agrawal are the current Promoter Directors of the Company.

Financial Performance

Against Rs. 53.83 Crs in FY15, the Company reported Total Operating Income of Rs.42.53 Crs in FY16. As informed by the management of the Company, the reason for decline in the turnover in FY16 was because the Company has undertaken manufacturing on job-works basis, for a period of two months. For FY17, till Dec, 2016, the Company has reported to have achieved ~Rs. 46 Crs.

Rating History for the last three years:

Sl No	Instrument/ Facility	Current Rating (April, 2017)			Rating History		
		Type	Amount (Rs. Crs)	Rating	2016	9 th Dec, 2015	2014
1.	Fund Based	Long Term	4.85	BWR BB+ (Outlook: Stable)	-	BWR BB+ (Outlook: Stable)	-
2.	Non-Fund Based	Short Term	3.00	BWR A4+	-	BWR A4+	-



Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Hyperlink/Reference to applicable Criteria:

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any



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