

Press Release

Brickwork Ratings assigns ‘BWR BBB- (SO)’ for the Bank Loan Facilities aggregating ₹ 41 Cr of Gujarat Credo Mineral Industries Ltd

Brickwork Ratings has assigned following **Rating¹** for the Bank Loan Facilities aggregating ₹ 41 Cr of Gujarat Credo Mineral Industries Ltd (GCMIL).

Facility	Limit (₹ Cr)	Tenure	Rating
Term Loan-I (Fund Based)	19.00	Long Term	BWR BBB- (SO) (BWR Triple B Minus Structured Obligation) (Outlook: Stable)
Term Loan- II (Fund Based)	22.00		
Total	41.00	(INR Forty One Crores only)	

BWR has relied on FY13 provisional financials, projected Financials for FY14 & FY15, publicly available information, and the information & clarifications provided by the management of Gujarat Credo Mineral Industries Ltd.

The rating factors, inter alia, the experience of the Board of Directors, Prime location (Village-Roha-Samurai, Taluka-Nakhatrana Kutch district of Gujarat) of the project, long term bauxite supply agreement with GMDC and Technical support from GMDC.

However the rating is constrained by execution track record as the company has started commercial operations in May 2013. The suffix ‘SO’ indicates that the rating is influenced by the corporate guarantee provided by the JV Company Credo Mineral Industries Limited (CMIL) for the entire debt facilities of ₹ 41 Cr.

GCMIL Profile:

Gujarat Credo Mineral Industries Limited, incorporated in March 2012, is a JV Company formed by GMDC (26%) and Credo Mineral Industries Ltd. (CMIL)(74%). Gujarat Mineral Development Corporation (GMDC) a Govt. of Gujarat Undertaking, is the largest merchant miner of lignite in India, supplying lignite to industrial units, including textiles, chemicals, ceramics, bricks and captive power plants. Credo Mineral Industries Ltd (CMIL) incorporated in 1996, with the objective of setting up industrial projects in Mining and

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Mineral Sector. CMIL targets growth oriented specialized projects by means of joint ventures, start-ups, development/expansion or company acquisitions.

Financial Performance:

JV partner Gujarat Mineral Development Corporation (GMDC) FY13 revenues are ₹ 1,675 Cr. with PAT of ₹ 601 Cr. compared with FY12 revenues of ₹ 1,631 Cr with PAT of ₹487 Cr. (28%) Credo Mineral Industries Ltd. (CMIL) FY13 revenues are ₹ 92 lakhs, with PAT of ₹ 9.95 lakhs compared with FY12 revenues of ₹ 47 lakhs with PAT of ₹ 23 lakhs. Net worth of CMIL as on May 2013 is ₹ 22.68 Cr. As GCMIL started commercial operations in May 2013, FY13 Revenues (Provisional) are ₹ 92 lacs with PAT of ₹ 9.95 lacs. In FY13, the Net Worth of the Company was ₹ 19.01 Cr.

Rating Outlook:

Company’s outlook is stable. The ability of the company to execute its current order book in a timely manner and bag new orders on a continual basis along with increase in capacity utilization will be the key rating sensitivities.

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