



Rating Rationale

Indermani Mineral India Pvt Ltd

25Jan2018

Brickwork Ratings upgrades the ratings for the Bank Loan Facilities of ₹. 175.00 Crores of Indermani Mineral India Pvt Ltd.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous (Jan, 2015)	Present
CC – Washery Division	20.00	20.00	Long Term	BWR BB- (Pronounced BWR Double B Minus) Outlook : Stable	BWR BBB- (Pronounced BWR Triple B Minus) Outlook : Stable Upgraded
CC – Trading Division	60.00	130.00			
LC	20.00	25.00	Short Term	BWR A4 (Pronounced BWR A Four)	BWR A3 (Pronounced BWR A Three) (Upgraded)
Inland/ Import/LC	(35.00)	(130.00)			
BG	(2.50)	(10.00)			
Buyers credit import L/C	(20.00)	(130.00)			
Total	100.00	175.00	INR One Hundred Seventy Five Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Ratings: Upgraded

Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial statements upto FY17, projected financial FY18, FY19 and publicly available information and information/clarifications provided by the company's management.



The rating reflects the increased scale of operations, the promoters' experience in the coal trading business, locational advantage, increased net worth, moderate coverage ratio and long term relationship with customers.

The ratings are, however, constrained by the limited value addition due to trading nature of business, high gearing level coupled with increased debt, reduced profit margins and capital intensive nature of fleet operation.

Going forward, ability of the company to increase the scale of operation on a project level , thereby increasing the Operating profits, infuse own funds to reduce the gearing and prompt service of the debt obligation

Description of Key Rating Drivers

Credit Strengths: Revenue has moved to Rs 796.45 Crs in FY17 against Rs 684.46 Crs in FY16, promoters have more than 15 years of experience , situated at coal rich production area – Raipur, Chhattisgarh and more than a decade relationship with customers net worth is Rs 81.23 Crs in FY17.

Credit Risks: higher leverage reported in FY17 at 3.12 times, total debt increased from 186.85 Crs to Rs 253.10 Crs between FY16 & FY17 , operating profit margin is shrunk from 8.32% in FY16 to 7.74% in FY17 so also net profit margin is reduced from 1.77% in FY16 to 1.71 % in FY17

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: Stable

BWR believes the **Indermani Mineral India Pvt Ltd** 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 show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Indermani Minerals India Pvt. Ltd. is a part of the Indermani Group located in Raipur, Chhattisgarh. The group, is engaged in the business of trading of coal, and was founded by Mr. Sunil Kumar Agrawal in 1998 in the name of Indermani Coal Trading Co. Subsequently in 2008, the promoters incorporated Indermani Minerals India Pvt. Ltd. to carry on the business. IMIPL procures a significant chunk of coal from South Eastern Coalfields Ltd (SECL). The coal is procured via E Auction and supplied to various power and cement industries located in Raipur, Bhilai and Durg districts. The company supplies washed and steam coal and



have recently set up a coal washery plant. Indermani has built up its own fleet of vehicles in addition to the tie up it has with the transporters. Currently around 45% - 50% of transportation requirement of the company is met with in house requirement. The group company – Indermani Associates Pvt. Ltd, provides the transportation services with a fleet of 200 trucks and lorries. The Board of Directors of IMIPL comprises Mr. Sunil Kumar Agrawal, the Managing Director and Mr. Prakash Chand Agrawal. Both the directors have more than 15 years of experience in the coal industry.

Company Financial Performance

In FY17, company has achieved net sales of Rs 796.45 Crs against Rs 684.46 Crs in FY16. The operating profit margin stood at 7.74 percent and net profit margin at 1.71 percent for FY17. The company has debt equity of 3.12 times in FY17. The tangible net-worth stood at Rs 81.23 Crs for FY17.

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	2017	28, Dec, 2016	28, Jan, 2015
	Fund Based	Long Term	150.00	BWR BBB- Outlook : Stable Upgraded	Not Rated	Not Reviewed	BWR BB-
	Non Fund Based	Short Term	25.00	BWR A3 Upgraded	Not Rated	Not Reviewed	BWR A4
	Total		175.00	INR One Hundred Seventy Five Crores Only			

Key Financial Indicators

Key Parameters	Units	2017	2016
Result Type		Audited	Audited
Operating Revenue	Rs in Crs	796.45	684.46
EBITDA	Rs in Crs	61.68	56.92
PAT	Rs in Crs	13.63	12.11
Tangible Net worth	Rs in Crs	81.23	65.88



Total Debt/Tangible Net worth	Times	3.12	1.24
Current Ratio	Times	1.29	2.84

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entities](#)
- [Short Term Debt](#)

For any other criteria obtain hyperlinks from website

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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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER



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