

## Press Release

### ZAMIN NATURAL RESOURCES PRIVATE LIMITED

March 22, 2018

#### Rating Assigned



|                                     |                           |
|-------------------------------------|---------------------------|
| <b>Total Bank Facilities Rated*</b> | Rs. 18.90 Cr.             |
| <b>Long Term Rating</b>             | SMERA B / Outlook: Stable |

\* Refer Annexure for details

#### Rating Rationale

SMERA has assigned long-term rating of '**SMERA B**' (**read as SMERA B**) on the Rs. 18.90 crore bank facilities of ZAMIN NATURAL RESOURCES PRIVATE LIMITED. The outlook is '**Stable**'.

Ajmer-based Zamin Natural Resources Private Limited (ZNPL), incorporated in 2015, is engaged in production of 100%pure floated powder and soda feldspar which are used in ceramic industries. ZNPL is managed by Shailesh Pravin Chandra Ajmera, Vipul Purshotam Patel, Sunil kumar Dangi and Alok Patel. The commercial operations started in September 2017.

#### Key Rating Drivers

##### Strengths

- **Established relationship with ceramic units**

The promoters of the company, Shailesh Pravin Chandra Ajmera, Vipul Purshotam Patel, Sunil kumar Dangi and Alok Patel have experience of more than two decades in supplying raw material and equipments to ceramic units resulting in established relationship with various ceramic units.

##### Weaknesses

- **Initial stage of operations**

ZNPL started its operations from September 2017. The operations are in initial stage and the company will have to demonstrate optimal capacity utilisation so as to generate cashflows commensurate with its debt obligation.

- **Significant debt obligation**

ZNPL gearing is high with a term loan of Rs.11.85 crore and unsecured loan for Rs.6.00 crore (subordinated loan) against equity of Rs.4.00 crore to finance the project. The principal obligation during FY18-19 is Rs. 1.40 crore. In the event of suboptimal utilisation or significant buildup in its recoverable will impact its credit profile.

#### Analytical Approach

SMERA has considered the standalone business and financial risk profiles of ZNPL to arrive at the rating.

#### Outlook: Stable

SMERA believes that the outlook of the ZNPL will remain stable over the medium term on account of its management experience and established relationship in the ceramic industry. Outlook may be revised to 'positive' if company is able to achieve higher than expected growth in revenue along with higher margins. On the contrary; the outlook may be revised to 'negative' in case of suboptimal utilisation of installed capacity with lower margins, impacting the credit profile of the company.

#### About the Rated Entity - Key Financials

|                  | Unit    | FY17 (Actual) | FY16 (Actual) | FY15 (Actual) |
|------------------|---------|---------------|---------------|---------------|
| Operating Income | Rs. Cr. | 0.00          | 0.00          | 0.00          |

SMERA Ratings Limited

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|                               |         |          |      |      |
|-------------------------------|---------|----------|------|------|
| EBITDA                        | Rs. Cr. | 0.00     | 0.00 | 0.00 |
| PAT                           | Rs. Cr. | -0.07    | 0.00 | 0.00 |
| EBITDA Margin                 | (%)     | 0.00     | 0.00 | 0.00 |
| PAT Margin                    | (%)     | 0.00     | 0.00 | 0.00 |
| ROCE                          | (%)     | -0.53    | 0.00 | 0.00 |
| Total Debt/Tangible Net Worth | Times   | 1.03     | 0.00 | 0.00 |
| PBDIT/Interest                | Times   | -0.13    | 0.00 | 0.00 |
| Total Debt/PBDIT              | Times   | -3566.47 | 0.00 | 0.00 |
| Gross Current Assets (Days)   | Days    | 0        | 0    | 0    |

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

None

#### Any other information

none

#### Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>

#### Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

#### Rating History (Upto last three years)

Not Applicable

#### \*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate    | Maturity Date  | Size of the Issue (Rs. Cr.) | Ratings/Outlook  |
|------------------------|------------------|----------------|----------------|-----------------------------|------------------|
| Term loans             | Not Applicable   | Not Applicable | Not Applicable | 11.85                       | SMERA B / Stable |
| Cash Credit            | Not Applicable   | Not Applicable | Not Applicable | 6.90                        | SMERA B / Stable |
| Proposed               | Not Applicable   | Not Applicable | Not Applicable | 0.15                        | SMERA B / Stable |

#### Contacts

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## ABOUT SMERA

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