



**Press Release**  
**Transdamodar Mining Private Limited**  
**November 19, 2024**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE A-   Stable   Reaffirmed	-
Bank Loan Ratings	30.00	-	ACUITE A2+   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	55.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating to ‘**ACUITE A-**’ (read as **ACUITE A minus**) and its short-term rating to ‘**ACUITE A2+**’ (read as **ACUITE A two plus**) on the Rs.55 Cr. bank facilities of Transdamodar Mining Private Limited (TMPL). The outlook is ‘**Stable**’.

**Rationale for Reaffirmation**

The rating reaffirmation takes into account the strong parental support from its parent AMPL Resources Private Limited (Erstwhile Ambey Mining Private Limited) (AMPL) and Godavari Commodities Limited (GCL) (rated at ACUITE A/Stable/A1) in the form of unsecured loans for smooth running of operations. Furthermore, AMPL and GCL has also extended unconditional and irrevocable guarantee to TMPL in proportion to their stake. The rating also factors in improvement in revenue from operations to Rs. 141.53 Cr. in FY2024 compared to Rs.121.74 Cr. in FY2023 on account of increase in production capacity, price escalation and change in loading and delivery points. The operating profit margin of the company improved to 24.21 percent in FY2024 as against 19.56 per cent in FY2023 majorly led by process optimization and reduction in operational expenses.

The rating also draws comfort from healthy financial position, characterized by a moderate net worth base and low gearing. However, these strengths are partially offset by intensive working capital management reflected by high Gross Current Asset (GCA) days on account of stretched receivables. The rating is further constrained by the vulnerability to heightened regulations and the inherent cyclicity within the mining sector.

**About the Company**

Transdamodar Mining Private Limited (TMPL) was incorporated in 2016 by AMPL Resources Private Limited (Erstwhile Ambey Mining Private Limited) (AMPL) and Godavari Commodities Limited (GCL) (rated at ACUITE A/Stable/A1), who are holding 51 per cent and 49 per cent of shares respectively. The company was appointed as Mine Developer and Operator (MDO), for 1 coal block at Barjora for a period of 27 years to produce 1 MTPA of coal, by The Durgapur Projects Limited (DPL) (rated at ACUITE BBB+/Stable/A2), which is a Government of West Bengal undertaking. The company is engaged in excavation and delivery of coal including Over Burden removal, extraction, crushing of coal and transportation of coal from mine face (s) to pit head coal stock and eventually to delivery point and loading of coal onto the railway wagons at assigned delivery point.

**Unsupported Rating**

### **Analytical Approach**

Acuité has taken a standalone view of the business and financial risk profile of TMPL to arrive at the rating. However, Acuité has taken into account the strong parentage of the entity by way of shareholding held by AMPL

and GCL along with an unconditional and irrevocable guarantee extended to TMPL in proportion to their stake. The rating has been notched up based on support from the key stakeholders and its strategic importance as an MDO of a captive mine of DPL.

## Key Rating Drivers

### Strengths

#### Strong Parentage

The leading entities, AMPL Resources Private Limited (Erstwhile Ambey Mining Private Limited )(AMPL) and Godavari Commodities Limited (GCL) (rated at ACUITE A/Stable/A1), boast strong foundations in the coal mining sector and maintain robust liquidity positions. The co-promoter companies' management possesses extensive expertise; Godavari Commodities Limited demonstrates a track record spanning over two decades in this specific line of business, while the Ambey group has been deeply involved in coal mining, loading, and transportation for more than three decades. In 2016, AMPL Resources Private Limited (Erstwhile Ambey Mining Private Limited) and Godavari Commodities Limited also facilitated the establishment of another Joint Venture (JV) known as Gangaramchak Mining Private Limited (GMPL). GMPL was established to operate as a mine developer and operator for two coal blocks in West Bengal, namely Barjore Coal Block and Gangaramchak & Gangaramchak Bhadulia Blocks (GGBB).

Acuité holds the belief that the substantial operational track record of these promoter companies will continue to contribute positively to the company's growth, leading to consistent expansion in operational scale. Additionally, Acuité derives assurance from the unconditional, ongoing, and irrevocable guarantee provided by both AMPL and GCL, along with their unconditional commitment to securing the company's entire debt, including principal and interest obligations.

#### Steady improvement in the Business Profile

In FY2024, the company achieved revenues of Rs. 141.53 Cr., up from Rs. 121.74 Cr. in FY2023 and Rs. 96.34 Cr. in FY2022, reflecting a steady growth trajectory. The stabilization of operations and consistent increase in coal produced have been key factors for increase in the revenues. Throughout FY2024, the company maintained high levels of Overburden Removal (OBR), involving extensive excavation of OB strips - around 3.23 million Cubic Metres (M.Cu.M). This trend continued from FY2023, where the company excavated 3.62 M.Cu.M of OB, up from 2.43 M.Cu.M in FY2022. In FY2024, the operating profit margin further increased to 24.21 percent, reflecting continued operational efficiency and cost management. The net profitability margin also improved to 9.54 percent, indicating better overall profitability. The ROCE for FY2024 rose to 29.13 percent, showcasing strong returns on capital employed. The increase in margin is due to a ramp-up in operations, which led to an improvement in quantity of coal, escalation of prices and changes in transportation cost – passed on to customers -due to changes in loading and delivery points.

#### Average financial risk profile

The company's average financial risk profile is marked by a healthy net worth base, comfortable gearing, and moderate debt protection metrics. The adjusted tangible net worth of the company was Rs. 76.57 Cr. as on March 31, 2024. Gearing of the company remained comfortable below unity at 0.85 times as on March 31, 2024, compared to 0.18 times as on March 31, 2023. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.23 times as on March 31, 2024, compared to 0.93 times as on March 31, 2023. The moderate debt protection metrics of the company are marked by an Interest Coverage Ratio of 2.10 times and a Debt Service Coverage Ratio (DSCR) of 1.81 times as on March 31, 2024, compared to 1.75 times and 1.59 times as on March 31, 2023, respectively. Net Cash Accruals/Total Debt (NCA/TD) stood at 0.21 times as on March 31, 2024, compared to 0.55 times as on March 31, 2023.

Acuité believes that TMPL's financial profile has strengthened further in FY2024 and the same is likely to sustain going forward, supported by healthy internal accrual generation and no major increase in the company's debt levels in the absence of any major debt-funded capex plans.

### Weaknesses

#### Working capital intensive nature of operation

The working capital intensive cycle of the company is marked by Gross Current Assets (GCA) of 354 days in FY 2024 as compared to 424 days in FY2023. The high level of GCA days is on account of stretched receivables. The debtor period stood high at 344 days as on FY2024 as compared to 412 days as on FY2023. The only debtor of the company is The Durgapur Projects Limited (DPL; rated ACUITE BBB+/Stable/A2) which is a state government entity and TMPL is the MDO of the captive mine owned by the DPL. Acuité believes that the working capital

operations of the company will remain almost at the same levels as evident from the inherently high debtor period and the company's exposure to counterparty credit risk associated with DPL, given its average financial risk profile. However, comfort can be drawn from the power purchase agreement (PPA) between WBSEDCL and DPL.

### **Rating Sensitivities**

- Change in capital structure
- Increase in production capacity
- Elongation of working capital cycle

### **Liquidity Position Adequate**

TMPL's liquidity is adequate marked by steady net cash accruals of Rs. 13.62 Cr. as on March 31, 2024, as against no long-term debt repayment over the same period. The current ratio stood comfortable at 2.71 times as on March 31, 2024. Further, the cash and bank balances of the trust stood at Rs. 1.51 Cr. in FY2024. Moreover, the average utilisation of the fund-based limits stood at ~62 per cent during the last six months ended September 2024. However, the working capital management of the company is marked by Gross Current Assets (GCA) of 354 days in FY 2024 as compared to 424 days in FY2023. Acuité believes that TMPL being a JV between AMPL and GCL will enjoy strong financial flexibility due to its access to timely need-based support from its parent, also going forward the company will maintain adequate liquidity position due to steady accruals.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	141.53	121.74
PAT	Rs. Cr.	13.50	8.39
PAT Margin	(%)	9.54	6.89
Total Debt/Tangible Net Worth	Times	0.85	0.18
PBDIT/Interest	Times	2.10	1.75

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

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Aug 2023	Cash Credit	Long Term	25.00	ACUITE A-   Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	55.00	ACUITE A2+ (Reaffirmed & Withdrawn)
27 May 2022	Cash Credit	Long Term	10.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Bank Guarantee/Letter of Guarantee	Short Term	100.00	ACUITE A2+ (Upgraded from ACUITE A2)
31 Mar 2021	Bank Guarantee (BLR)	Short Term	100.00	ACUITE A2 (Upgraded from ACUITE A3+ (CE))
	Cash Credit	Long Term	10.00	ACUITE BBB+   Stable (Upgraded from ACUITE BBB (CE)   Stable)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Indusind Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A2+   Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	01 Jun 2023	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A-   Stable   Reaffirmed

**\*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

<b>Sr.No.</b>	<b>Company Name</b>
1	AMPL Resources Private Limited (Erstwhile Ambey Mining Private Limited)
2	Godavari Commodities Limited
3	Transdamodar Mining Private Limited

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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