



**Press Release**  
**The Indian Mineral Company**  
**September 07, 2023**

**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	109.00	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	2.50	-	ACUITE A4+   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	111.50	-	-

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE Double B 'Plus'**) from **ACUITE BBB** (read as **ACUITE triple B**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A four 'plus'**) from **ACUITE A3+** (read as **ACUITE A Three 'Plus'**) on the Rs.111.50 Cr bank facilities of The Indian Mineral Company (TIMC).

This rating is now an indicative rating and is based on the best available information. The rating has been downgraded on account of non-submission of No Default Statement by the company for last 3 consecutive months.

**About the Company**

TIMC is a partnership firm based out of Hubli, Karnataka. The firm is promoted Mr. Bimal Mehta and Mrs. Neepa Mehta and was incorporated in 1965. The Firm is wholesale distributor for various products Tata Steel, JSW Steel for Karnataka and dealers for Essar Steel and Ambuja Cement. The firm also cuts and bends the products as per requirements of its customers. Firm has emerged as a leading distributor for Tata Steel products in Karnataka region. The products the firm deals includes Tata Tiscon, Tiscon TMT bars, TMT Bars, MS rounds, MS Sheets, MS plates, HT grade plates, boiler quality plates, normalized plates, EN series plates, MS beams, MS channels, MS angles, MS flats, MS Square, MS & GI square rectangular and round tubes, GP Coils, BGL Coils & Colour coated coils.

**Non-cooperation by the issuer/borrower**

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained noncooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite has also been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating.

However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuite's policies

**Limitation regarding information availability**

The rating is based on information available from sources other than the issuer/borrower in the absence of information provided by the issuer/borrower). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit

rating is based.

### **Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon

### **All Covenants**

None

### **Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon

### **Outlook: Not applicable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	477.12	328.70
PAT	Rs. Cr.	13.07	8.53
PAT Margin	(%)	2.74	2.59
Total Debt/Tangible Net Worth	Times	1.35	1.08
PBDIT/Interest	Times	6.13	4.98

### Status of non-cooperation with previous CRA

None

### Any other information

Acuité is not in receipt of the "No Default Statement (NDS)" since May 2023 from the rated entity despite repeated requests and followups.

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.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. Acuite' 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
06 Dec 2022	Working Capital Term Loan	Long Term	9.50	ACUITE BBB   Stable (Reaffirmed)
	Proposed Bank Facility	Short Term	2.50	ACUITE A3+ (Reaffirmed)
	Dropline Overdraft	Long Term	2.00	ACUITE BBB   Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	10.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	2.50	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	85.00	ACUITE BBB   Stable (Reaffirmed)
09 Sep 2021	Working Capital Term Loan	Long Term	9.50	ACUITE BBB   Stable (Assigned)
	Working Capital Demand Loan	Long Term	10.00	ACUITE BBB   Stable (Assigned)
	Short Term Loan	Short Term	2.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A3+ (Assigned)
	Dropline Overdraft	Long Term	20.00	ACUITE BBB   Stable (Assigned)
	Cash Credit	Long Term	65.00	ACUITE BBB   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	85.00	ACUITE BB+   Downgraded   Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Dropline Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE BB+   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	2.50	ACUITE BB+   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	2.50	ACUITE A4+   Downgraded   Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	Simple	10.00	ACUITE BB+   Downgraded   Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	9.50	ACUITE BB+   Downgraded   Issuer not co-operating*

## 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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