



Press Release
NARAYANI RESOURCES PRIVATE LIMITED
September 03, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.50	ACUITE BBB- Negative Reaffirmed	-
Bank Loan Ratings	149.50	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minusa**) and its short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 200.00 Cr. bank facilities of Narayani Resources Private Limited (NRPL). The outlook is revised from '**Stable**' to '**Negative**.'

Rationale for reaffirmation and outlook revision

The revision in outlook is on the account of consistent decline in the operating revenue of the company in the past two years due to lower sales volume in FY2025 and declining realization prices in FY2024. Further, the revenue stood at ~Rs. 145 Cr. in Q1 FY2026 as against ~Rs. 309 Cr. in Q1 FY2025. The PAT margin also deteriorated due to increase in the finance costs. Hence, going forward, the ability of the company improve its scale of operations will be a key monitorable.

The rating reaffirmation, however, takes into account the established track record of operations and experienced management of the company. The rating also factors in the improving operating margins on a y-o-y basis and moderate financial risk profile of the company. However, the rating remains constrained due to the intensive working capital operations, volatility in coal prices and changes in regulatory policies.

About the Company

Incorporated in 2011, Kolkata based Narayani Resources Private Limited (NRPL) is engaged in trading of coal, iron ore, coke and limestone. NRPL started its operations in FY2019 and is promoted by Mr. Ankur Agarwal and Mr. Ashish Karnani who have extensive experience in the coal trading industry. The company caters to the coal requirements of power, metal, paper, steel and cement industries wherein it procures coal from domestic market as well as from the regions of South Africa, Australia and Indonesia as per requirement.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of NRPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and established relationship with customers

The promoter, Mr. Ankur Agarwal has more than a decade of experience that has helped them to establish comfortable relationships with the key suppliers and reputed clients with high credit worthiness in the domestic market.

Moderate financial risk profile

The moderate financial risk profile is supported by moderate network, low gearing and adequate debt coverage indicators. The tangible network stood at Rs. 94.56 Cr. on March 31, 2025 (Prov.) improving from Rs. 85.70 Cr. in FY2024 owing to profit accretions. Further, being in trading nature the company has minimal reliance on external long-term debt, therefore, the gearing remained below unity at 0.91 times on March 31, 2025 (Prov.), however, increased from 0.55 times in PY due to increase in the working capital & unsecured loans from directors during the year. Moreover, the interest coverage ratio and debt service coverage ratio stood at 1.69 times [2.54 times in PY] and 1.48 times [2.10 times in PY] in FY2025 (Prov.) respectively.

Going forward, any decrease in cash accruals impacting the financial risk profile of the company shall be a key rating sensitivity.

Weaknesses

Moderation in operating revenue

In FY2025, the company had faced supply issues due to sanctions on Russian railways and suppliers, which was the major source of procurement. Therefore, the overall sales volumes declined which led to significant decline in the revenue of the company to Rs. 625.95 Cr. in FY2025 (Prov.) from Rs. 938.49 Cr. in FY2024. The revenue also declined in FY2024 from Rs. 1050.14 Cr. in FY2023 owing to decline in the realization prices of coal. However, the EBITDA margin increased to 4.13 percent in FY2025 (Prov.) as against 3.19 percent in FY2024 on account of efficiency in operations. The PAT margin stood marginally moderated at 1.41 percent in FY2025 (Prov.) from 1.52 percent in FY2024 due to increase in finance costs. Further, the company has generated a revenue of ~Rs. 145 Cr. in Q1 FY2026 as against ~Rs. 309 Cr. in Q1 FY2025.

Going forward, the ability of the company to overcome supply challenges and improve the overall scale of operations will be a key monitorable.

Intensive working capital operations

The working capital management of the company is intensive marked by gross current assets (GCA) of 196 days as on March 31, 2025 (Prov.). The GCA days are driven by inventory days and debtor days and increase in other current assets majorly constituting of advance to suppliers which increased to ~Rs. 116 Cr. in FY2025 as against ~Rs. 68 Cr. in FY2024. The inventory days stood at 26 days on March 31, 2025 (Prov.) against 5 days on March 31, 2024. The debtor days also elevated to 80 days as on March 31, 2025 (Prov.) as against 60 days on March 31, 2024. Therefore, the average bank limit utilisation stood high at 88.32 percent for the last six months ended July 2025.

Competitive and regulated industry

Coal being a commodity has demonstrated significant volatility in its prices in the past and imported coal prices are also governed by global demand-supply factors. Moreover, the coal trading and transport industry is highly fragmented, with a large number of players, due to the low entry barriers. Further, the industry is highly regulated, with the ministry of coal governing its operations in the country. Any adverse regulations shall impact the operations of the company.

Rating Sensitivities

- Improvement in operating revenues at sustained margin
- Restriction of further elongation in working capital cycle
- Deterioration in financial risk profile leading to stretch in liquidity position

Liquidity Position

Adequate

The adequate liquidity position is supported by generation of sufficient net cash accruals of Rs. 9.14 Cr. against repayment obligations of Rs. 0.40 Cr. in FY2025 (Prov.). Going forward, the NCAs are expected to remain in the range of Rs. 5 – 7 Cr. against expected repayments of Rs 0.25 Cr. in FY2026 and FY2027 each. The current ratio stood moderate at 1.18 times on March 31, 2025 (Prov.). The company had high unencumbered cash and bank balance on March 31, 2025 (Prov.). The average fund-based bank limit utilisation stood high at 88.32 percent for the last six months ended July 2025.

Outlook: Negative

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	625.95	938.49
PAT	Rs. Cr.	8.84	14.29
PAT Margin	(%)	1.41	1.52
Total Debt/Tangible Net Worth	Times	0.91	0.55
PBDIT/Interest	Times	1.69	2.54

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <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. 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Jun 2024	Letter of Credit	Short Term	5.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	30.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	47.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	11.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	25.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	17.50	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Packing Credit	Long Term	7.50	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	12.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)
09 Aug 2023	Letter of Credit	Short Term	30.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	47.00	ACUITE A3 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	3.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A3 (Assigned)
	Proposed Short Term Bank Facility	Short Term	17.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	17.50	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Packing Credit	Long Term	7.50	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	8.00	ACUITE BBB- Stable (Assigned)
11 May 2023	Letter of Credit	Short Term	30.00	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	47.00	ACUITE A3 (Assigned)
	Proposed Short Term Bank Facility	Short Term	3.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	32.50	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative
Indusind Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A3 Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	57.50	Simple	ACUITE A3 Reaffirmed
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	47.00	Simple	ACUITE A3 Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BBB- Negative Reaffirmed Stable to Negative

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About Acuité Ratings & Research

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