



**Press Release**  
**NANDANA METALS AND MINING LIMITED**  
**February 10, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE BBB-   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of ‘**ACUITÉ BBB-**’ (read as **ACUITE triple B minuso**)n the Rs. 50.00 Cr. bank facilities of Nandana Metals and Mining Limited (NMML). The outlook is ‘**Stable**’.

**Rationale for Rating**

The rating factors in the experienced management and company’s comfortable financial risk profile. The rating also draws comfort from efficient working capital management and the adequate liquidity position. However, the rating is constrained due to moderate scale of operations, vulnerability of profitability to volatility in steel prices and susceptibility to cyclical nature and competitive nature of the industry.

**About the Company**

Incorporated in 2021, Mumbai-based Nandana Metals and Mining Limited (formerly known as Winbuiild Metals Private Limited) is engaged in trading of iron & steel products, metal ores, scrap and coal. The company is operating its business from Nagpur since all the suppliers and customers are Nagpur based. Directors of this company are Mr. Junil Nilesh Patel, Mr. Arpit Mehta, Ms. Jaya Ankur Singhania and Mr. Tushar Rajendra Momaiyah.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of Nandana Metals and Mining Limited.

**Key Rating Drivers**

**Strengths**

**Experienced management**

The management is having an experience of over a decade in the similar line of business. Mr. Arpit Mehta, is an MBA with over 15 years of experience in the similar line of business, he is ably supported by Mr. Junil Patel, an industrial engineer who adds technical expertise. They are been supported by second line of management having over decade of experience in their respective fields. Acuite believes that NMML will continue to benefit from its experienced management and able to sustain established relations with its customers and suppliers over the medium term.

**Comfortable Financial Risk Profile**

The financial risk profile of the company is comfortable marked by moderate net worth, gearing and strong debt protection metrics. The tangible net worth of the company is moderate and stood at Rs. 36.68 Cr. as on March 31,

2024 as against Rs. 21.66 Cr. as on March 31, 2023. The debt profile of the company comprises of Rs. 6.95 Cr. of long-term unsecured loans, and the Rs. 7.93 Cr. of short-term unsecure loans from others and Rs. 28.21 Cr. of Long-term borrowings (property loans) as on March 31, 2024. The debt to equity stood at 1.17 times as on March 31, 2024 as against 1.43 times as on March 31, 2023. The TOL/TNW stood at 2.88 times as on March 31, 2024, as against 3.32 times as on March 2023. The debt protection metrics remained strong as reflected in an interest service coverage ratio of 6.44 times as on March 31, 2024, as against 6.61 times as on March 2023. Further, the

debt service coverage ratio (DSCR) stood at 3.18 times as on March 31, 2024, as against 5.02 times as on March 2023. Acuité believes that financial risk profile of the company is likely to be sustained in near to medium term.

### **Efficient working capital management**

The working capital management of the company is efficient marked by low GCA of 58 days in FY24 as against 34 days in FY23. The company has creditor terms ranging from 0 to 21 days, depending on the products, and debtor terms spanning 15 to 45 days. The creditor days of the company stood at 24 days for FY24 compared against 11 days for FY23 and the debtor days stood at 47 days for FY24 as against 27 days for FY23. The average fund-based working capital utilization stood low at ~40 percent for one month ended December 2024.

### **Weaknesses**

#### **Moderation in scale of operations albeit improving profitability margins**

The company's revenues have moderated and stood at Rs. 626.80 Cr. in FY24 from Rs. 656.74 Cr. in FY23. The scale of operations further continued to remain moderate with revenues of Rs. 391.30 Cr. reported in 9MFY25. The company is planning to expand its product portfolio which is likely to contribute to expanding its operating performance. The EBITDA in absolute terms has consistently improved and stood at Rs. 22.58 Cr. in FY24 as against Rs. 17.10 Cr. in FY23. Further, in 9MFY25 the company has reported EBITDA of Rs.18.04 Cr. The operating profit margin of the company improved and stood at 4.61 per cent in Q3FY25 and 3.60 per cent in FY24 as compared to 2.60 per cent in FY23, the reported growth in profitability is mainly on account of change in product mix. The PAT margins of the company also improved and stood 2.40 per cent in FY24 as compared to 2.00 per cent in FY23.

#### **Susceptibility to cyclical and competitive nature of industry**

NMML is engaged in trading business of steel products. The steel consumption is majorly dependent upon the economic activities taking place in and around the country. The end user industry being infrastructure and real state, any significant slowdown in these industries will impact the demand of steel and will impact the revenues of the company. Further, the company competes with various players in the organized and unorganized segments in the steel trading industry, thus limiting the pricing power.

#### **Vulnerability of profitability owing to volatility in steel prices**

The profitability margins of the company are susceptible to volatility in steel prices. Significant changes in prices of steel impact the margins of the company. Acuité believes that profitability of the company will remain susceptible to volatility in steel prices in the near to medium term.

### **Rating Sensitivities**

Improvement in scale of operation while maintaining profitability margins

Changes in financial risk profile

Deterioration in working capital cycle

### **Liquidity Position**

#### **Adequate**

The liquidity position of the company remains adequate. The company generated net cash accruals of Rs.19.45 Cr. in FY24 against repayment obligation of Rs. 3.19 Cr. in the same period. Going forward the company's repayment obligation provides sufficient cushion to the net cash accruals. The company had a cash balance of Rs. 0.45 crore as on March 31, 2024. The current ratio stood at 1.47 times in FY24. The average fund-based working capital utilization stood at ~40 percent for one month ended December 2024. Acuité believes that the liquidity of the group is likely to remain adequate over the medium term on account of healthy cash accrual over the medium term against repayment obligations.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	626.80	656.74
PAT	Rs. Cr.	15.02	13.12
PAT Margin	(%)	2.40	2.00
Total Debt/Tangible Net Worth	Times	1.17	1.43
PBDIT/Interest	Times	6.44	6.61

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

None

### 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](http://www.acuite.in).

### Rating History :

Not Applicable

**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>
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB-   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB-   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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