

Adish Minerals Private Limited

June 11, 2021

Rating

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term / Short Term Bank Facilities	19.00	CARE B+; Stable / CARE A4 (Single B Plus ; Outlook: Stable/ A Four)	Assigned
Total Bank Facilities	19.00 (Rs. Nineteen Crore Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of **Adish Minerals Private Limited** are constrained by Project execution and stabilization risk regarding operations. The ratings, however, draws comfort from experienced promoters.

Rating sensitivities

Positive Factors

- Timely completion and execution of the unit and generation of positive free cash flows.
- Improvement in liquidity position and timely repayment of debt obligations

Negative Factors

- Delay in execution and completion of setting up of new manufacturing facility.

Detailed description of the key rating drivers

Key Rating Weakness

Project execution and stabilization risk regarding operations

The total cost is envisaged at Rs.16.62 crore which will be funded by term loans of Rs.9.67 crore and Promoters contribution of Rs.6.95 crore respectively. As on February 28, 2021, the company has incurred Rs.3.89 crores through promoter's contribution. The company proposes to commence the business operations from October 2021. Execution of remaining project within envisaged time and cost remains a risk for the company. Moreover, stabilization of unit remains a concern.

Key Rating Strengths

Experienced promoters

The operations of Adish Minerals Private Limited are currently managed by Mr. Nrusingha Charan Parida and Narayan Chandra Parida, Mrs. Minati Parida and Mrs. Snigdha Parida. Mr. Nrusingha Charan Parida and Narayan Chandra Parida are graduate by qualification and have an experience of almost two decades in the trading and hospitality industry through his association with this entity since inception and association with the group company, Adish Private Limited (Lodge bar and restaurants) and L N Ice Mill. They have experience in different sectors like administration, purchase, marketing, and projects. Mrs. Minati Parida and Mrs. Snigdha Parida have an experience of one decade. They look after the overall operations of the company and further supported by Tier-II level management including supervisory staff and other daily laborers.

Liquidity-Stretched

The liquidity position of the company is stretched marked by low current ratio and quick ratio stood 1.34x and 0.39x in FY22 (Projected) respectively. The liquidity is supported infusion of funds by promoters.

Analytical Approach: Standalone

Applicable Criteria

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios – Non-Financial Sector](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology - Manufacturing Companies](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

About the Company

M/s Adish Minerals Private Limited (AMPL) was incorporated on April 25, 2018, having Corporate Identification Number is (CIN) U14298OR2018PTC028769. The company is planning to set up the Chrome Ore beneficiation Plant in Baunsamuli, district -Jajpur, Odisha with in a land of 13.43 acres. The objective of the company is to beneficiate the low-grade chrome to chrome concentrate and then sells to various parts of Orissa and other states of India. The Plant would have 100 % capacity of beneficiating 12,000 Metric Tonnes of Siliceous chrome ore material. The commercial Production will start from October 2021.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based/Non-fund-based-LT/ST	-	-	-	19.00	CARE B+; Stable / CARE A4

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based/Non-fund-based-LT/ST	LT/ST	19.00	CARE B+; Stable / CARE A4	-	-	-	-

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based/Non-fund-based-LT/ST	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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