# Press Release

## BS Mining Corporation Private Limited
## August 6, 2025

**Ratings**

| Instrument / Facility | Amount (Rs. crore) | Current Ratings | Previous Ratings | Rating Action | Complexity Indicator |
|---|---|---|---|---|---|
| Long Term Bank Facilities | 70.68* (reduced from 71.46) | IVR BBB-/ Stable (IVR triple B minus with Stable outlook) | IVR BBB-/ Stable (IVR triple B minus with Stable outlook) | Rating reaffirmed | Simple |
| Short Term Bank Facility | 8.50 | IVR A3 (IVR A Three) | IVR A3 (IVR A Three) | Rating reaffirmed | Simple |
| **Total** | **79.18 (INR Seventy nine crore and eighteen lakh only)** | | | | |

**(Vehicle loans of Rs. 0.12 crore from Mahindra & Mahindra Financial Services Limited and Rs. 4.65 crore from Volvo Financial Services India Pvt. Ltd. rated in the previous year have been withdrawn based on No Due Certificates received from Mahindra & Mahindra Financial Services Limited and Volvo Financial Services India Pvt. Ltd. and at the request of the company, and is in line with Infomerics policy on withdrawal).*

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

**Detailed Rationale**

Infomerics has reaffirmed the ratings assigned to the bank facilities of BS Mining Corporation Private Limited (BSMCPL) on the back of experienced management and long track record of operation, steady increase in topline and profit, adequate capital structure and coverage indicators and a healthy order book position. However, these rating strengths are partially constrained due to exposure to client and geographical concentration risk, intense competition and tender driven nature of the business and susceptibility to heightened regulatory risks.

The long-term rating outlook is Stable on the account of extensive experience of the promoters in the field of iron ore mining, contract mining and infrastructure development and an adequate order book.

Infomerics has also withdrawn the outstanding long-term rating of 'IVR BBB-/ Stable' assigned to the Vehicle loans of Rs. 0.12 crore from Mahindra & Mahindra Financial Services Limited and Rs. 4.65 crore from Volvo Financial Services India Pvt. Ltd. with immediate effect. The

vehicle loan has been withdrawn based on No Due Certificate received from Mahindra & Mahindra Financial Services Limited and Volvo Financial Services India Pvt. Ltd. and at the request of the company and is in line with Infomerics policy on withdrawal. Link to the withdrawal policy is provided below.

**Key Rating Sensitivities:**

**Upward Factors**

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in debt protection metrics, cash accruals and liquidity on a sustained basis.
- Improvement in receivable management.
- Sustenance of the capital structure.

**Downward Factors**

- Dip in operating income and/or profitability impacting the debt coverage indicators on a sustained basis.
- Deterioration in receivable position impacting the liquidity.
- Moderation in the capital structure.

**List of Key Rating Drivers with Detailed Description**

**Key Rating Strengths**

- **Experienced management and long track record of operation**

The promotors, Mr. Sarat Chandra Nayak and Mrs. Parbati Nayak of BSMCPL have been into the contract mining business since 1994 and have developed long standing relationships with several reputed companies. The company counts Tata Steel, Kalinga Commercial Corporation Limited and Odisha Mining Corporation to name a few as its clients.

- **Steady increase in topline and profit**

The company's total operating income registered CAGR of ~18% from FY22 (refers to period April 1st, 2021, to Mar 31, 2022) to FY25 (prov) (refers to period April 1st, 2024, to Mar 31, 2025) and achieved an operating income of Rs. 302.49 crore in FY25 (prov) against Rs. 272.949 crore in FY24 (refers to period April 1st, 2023, to Mar 31, 2024) due to smooth execution of orders. The company has a healthy order book position of Rs. 979.95 crore

translating to 3.24 times FY2025 (prov) total operating income, which provides near-term revenue visibility. Absolute EBITDA increased to Rs. 38.54 crore in FY25 (prov) compared with Rs. 34.80 crore in FY24. PAT also increased to Rs. 14.36 crore in FY25 (prov) compared with Rs. 12.87 crore in FY24. EBITDA margin was stable at 12.74% in FY25 (prov) compared with 12.77% in FY24. PAT margin also remained almost unchanged at 4.73% in FY25 (prov) compared with 4.72% in FY24. Going forward, Infomerics expects a stable increase in topline and profit, driven by smooth execution of orders.

- **Adequate capital structure and coverage indicators**

The total debt of BSMCL is Rs.112.37 crore as on March 31st, 2025 (prov), as compared to Rs.99.98 in FY24. The increase in total debt was due to increase in term loan which was taken to purchase machinery and equipment. The net-worth increased to Rs. 88.48 in FY25 (prov) as compared to Rs. 72.89 in FY24, due to accretion of profit to reserves. The overall gearing and TOL/TNW of the company improved at 1.27x and 1.50x respectively as on 31st March'25 (prov) as compared to 1.37x and 1.54x as on 31st March'25. The debt protection is comfortably marked by interest coverage ratio of 3.28x in FY25 (prov) compared with 3.57x in FY24. The DSCR was 1.09x in FY25 (prov), which improved substantially from 0.94 times in FY24.

- **Healthy order book position**

The company has a healthy order book position of ~Rs. 979.95 crore translating to 3.24 times FY2025 (prov) total operating income, which provides near-term revenue visibility. The Company has a satisfactory contract completion track record and there has not been any instance of invocation of performance bank guarantee or payment of liquidated damages. Infomerics notes that the company's ability for successful execution of the current healthy order book in due time will remain a key rating factor, going ahead.

**Key Rating Weaknesses**

- **Exposure to client and geographical concentration risk**

BSMCPL's top four clients namely Tata Steel Ltd, Rungta Sons Pvt Ltd, J N Patnaik and Kanlinga Commercial Corporation Ltd contributing 68% of the total sales of the company in FY2025 (provisional) which gives rise to client concentration risks. However, it has a healthy share of business for these clients and long-term relationship mitigates the concentration risk

to an extent. The company is primarily actively working on projects in the state of Odisha and Jharkhand thus is exposed to high geographical concentration risk.

- **Intense competition and tender driven nature of the business**

Since BSMCPL is also into civil construction work, it faces intense competition from several mid to large size players who operate in these business segments. The risk becomes more pronounced as tendering is based on the minimum amount of bidding on contracts, and susceptibility to inherent cyclicality in the construction sector. The relaxation of qualification norms by the Central Government for undertaking road projects further intensifies the competitive scenario in the industry leading to pressure on the profitability margins. At the same time, the company wins its mining contracts from companies on tender basis. Going forward, the company's ability to successfully bid for a greater number of large orders remains to be seen.

- **Susceptibility to heightened regulatory risks**

In the past, the mining industry has witnessed scams and irregularities (including illegal mining, over-mining, encroachment of forest areas, and underpayment of government royalties, and conflicts with the tribal population regarding land rights) in ore-rich states, especially Karnataka, Goa, and Odisha. This led the Hon'ble Supreme Court to impose a ban on mining. Furthermore, there are local agitations and issues in obtaining approvals in regions where mining is operational. Therefore, any major regulatory changes may impact the business operations of the company.

**Analytical Approach:** Standalone

**Applicable Criteria:**

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria of assigning Rating Outlook

Policy of default recognition

Criteria on complexity

Policy on withdrawal of ratings

**Liquidity – Adequate**

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The liquidity position of the company is adequate marked by its expected gross cash accruals as against debt obligations from FY26 to FY28. Moreover, the company's bank limits are utilized to the extent of ~86% on an average for the twelve months period ended June 2025, giving sufficient liquidity cushion. Absence of any capex in the near term provides comfort to the liquidity position.

**About the company**

Odisha based BS Mining Corporation Private Limited (BSMCPL) was established in the year of 1994 as proprietorship firm which was later incorporated as a private limited company in the year of 2008. BSMCPL is promoted by Mr. Sarat Chandra Nayak and Mrs. Parbati Nayak. The company is engaged in undertaking contracts for mining/extraction of iron ore & manganese, civil construction work and providing transportation services. The company provides comprehensive solutions in contractual mining through planning, management, production, processing, and dispatch of core minerals. Along with the extraction, company deals in logistics and civil construction. Civil construction services include civil and road construction, multi-utility public buildings and facilities and real estate.

**Financials (Standalone):** **(Rs. crore)**

| For the year ended/ As on* | 31-03-2024 | 31-03-2025 |
|---|---|---|
| | Audited | Provisional |
| Total Operating Income | 272.49 | 302.49 |
| EBITDA | 34.80 | 38.54 |
| PAT | 12.87 | 14.36 |
| Total Debt | 99.98 | 112.37 |
| Tangible Net Worth (adjusted) | 72.89 | 88.48 |
| EBITDA Margin (%) | 12.77 | 12.74 |
| PAT Margin (%) | 4.72 | 4.73 |
| Overall Gearing Ratio (x) (adjusted) | 1.37 | 1.27 |
| Interest Coverage (x) | 3.57 | 3.28 |

** Classification as per Infomerics' standards*

**Status of non-cooperation with previous CRA:** As per PR dated January 20, 2025, Crisil Rating continued to keep the ratings in non-cooperating category due to non-cooperation from the client.

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**Any other information:** Nil

**Rating History for last three years:**

| Sr. No. | Name of Security/Facilities | Current Ratings (Year 2025-26) | | | Rating History for the past 3 years | | |
|---|---|---|---|---|---|---|---|
| | | Type (Long Term/Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in 2022-23 |
| | | | | | July 1, 2024 | May 10, 2023 | August 10, 2022 |
| 1. | Term Loans | Long Term | 49.18 | IVR BBB-/ Stable | IVR BBB-/ Stable | IVR BB+/ Stable | IVR BB-/Stable |
| 2. | Cash Credit | Long Term | 21.50 | IVR BBB-/ Stable | IVR BBB-/ Stable | IVR BB+/ Stable | IVR BB-/Stable |
| 3. | Bank Guarantee | Short Term | 8.50 | IVR A3 | IVR A3 | IVR A4+ | IVR A4 |

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**About Infomerics:**

Infomerics Valuation and Rating Ltd (Infomerics) (formerly Infomerics Valuation & Rating Pvt Ltd) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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**Annexure 1: Facility Details**

| Name of Facility/ /Security | ISIN | Date of Issuance | Coupon Rate / IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|---|---|---|---|---|---|---|
| Vehicle Loan 1 | - | - | - | September 2025 | 0.28 | IVR BBB-/ Stable |
| Vehicle Loan 2 | - | - | - | March 2028 | 0.55 | IVR BBB-/ Stable |
| Vehicle Loan 3 | - | - | - | March 2028 | 10.49 | IVR BBB-/ Stable |
| Vehicle Loan 4 | - | - | - | December 2026 | 2.26 | IVR BBB-/ Stable |
| Vehicle Loan 5 | - | - | - | - | - | Withdrawn |
| Vehicle Loan 6 | - | - | - | December 2027 | 2.38 | IVR BBB-/ Stable |
| Vehicle Loan 7 | - | - | - | December 2027 | 9.18 | IVR BBB-/ Stable |
| Vehicle Loan 8 | - | - | - | - | - | Withdrawn |
| Vehicle Loan 9 | - | - | - | April 2028 | 1.14 | IVR BBB-/ Stable |
| Vehicle Loan 10 | - | - | - | April 2029 | 14.39 | IVR BBB-/ Stable |
| Vehicle Loan 11 | - | - | - | August 2028 | 6.91 | IVR BBB-/ Stable |
| Vehicle Loan 12 | - | - | - | September 2027 | 1.39 | IVR BBB-/ Stable |
| Vehicle Loan 13 | - | - | - | December 2028 | 0.21 | IVR BBB-/ Stable |
| Cash Credit | - | - | - | - | 21.50 | IVR BBB-/ Stable |
| Bank Guarantee 1 | - | - | - | - | 5.00 | IVR A3 |
| Bank Guarantee 2 | - | - | - | - | 3.50 | IVR A3 |

**Annexure 2: Facility wise lender details:**
https://www.infomerics.com/admin/prfiles/len-BSMining-aug25.pdf

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated analysis: Not Applicable**

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**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.