Press Release

Hind Unitrade Private Limited
September 05, 2025

Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-Term Bank Facilities	107.41 (reduced from 108.39)	IVR BBB-/ Stable (IVR Triple B minus with Stable outlook)	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook Issuer Not Cooperating)	Rating upgraded and removed from Issuer Not Cooperating category; Outlook revised from Negative to Stable	Simple
Total	**107.41 (Rs. One hundred seven crore and forty-one lakh only)**				

**Issuer not cooperating; Based on best available information*

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

Earlier Infomerics had moved the ratings of Hind Unitrade Private Limited (HUPL) into Issuer Not Cooperating category vide it press release dated March 11, 2025, due to non-submission of information required for detailed review of the company. However, the company has started cooperating and submitted required information. Consequently, Infomerics has removed the ratings from 'ISSUER NOT COOPERATING' category and upgraded the ratings.

The upgradation of the rating assigned to the bank facilities of HUPL on the back of improved capital structure coupled with improvement in profitability in FY25 (provisional) (refers to period April 1st, 2024, to March 31st, 2025). Further, the ratings continue to derive strength from long track record of operations under experienced promoters, proximity to coal mines by virtue of the company's presence in Ambikapur, Chattisgarh and moderate capital structure with adequate debt protection metrics. These rating strengths are partially offset by intense competition in coal trading business with exposure to government regulations, low profit margins owing to trading nature of business and working capital intensive nature of operations. The long-term rating outlook has been revised to Stable from Negative on the back of satisfactory demand outlook of the respective industry coupled with improvement in financial risk profile of the company.

Key Rating Sensitivities:

Upward Factors

- Continuous growth in revenue along with sustained profitability.
- Sustained improvement in the capital structure with improvement in debt coverage indicators.
- Improvement in its liquidity with improvement in operating cycle.

Downward Factors

- Moderation in scale of operations and/or profitability.
- Deterioration of capital structure and debt coverage indicators.
- Deterioration in working capital management.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Long track record of operations under experienced promoters**
  The Company was established in 2010, and the promoters of the company Mr. Sanjay Mittal and Mr. Vinod Kumar Agarwal have around two decades of experience in coal trading which helped them to establish a strong relationship with a diverse customer base leading to repeat orders.
- **Proximity to coal mines by virtue of the Company's presence in Ambikapur, Chattisgarh**
  HUPL has the locational advantage of operating in the mineral rich area of Ambikapur, Chhattisgarh. Moreover, the coal mine is well connected through road and rail transport which facilitates easy transportation of goods. Hence, the coal mine, being in a strategic location, is benefiting from saving in transport costs in the long run.
- **Moderate capital structure with adequate debt protection metrics**
  The debt profile of the company mainly comprises working capital borrowings. Further, the company had a moderate net worth of Rs. 60.21 crore as on March 31, 2025. However, the company had subordinated unsecured loans of Rs. 6.20 crore from its directors and treating the same as quasi equity the adjusted tangible net worth stood at Rs 66.06 crore.

The capital structure of the company, reflected by leverage ratio, improved in FY25 (provisional) where the overall gearing ratio and long-term debt equity ratio of the company considering quasi equity stood comfortable at 1.01x and 0.05x respectively as on March 31, 2025 (provisional). Further, the total indebtedness of the company marked by TOL/TNW considering quasi equity have improved from 2.91x as on March 31, 2024 to 1.68x as on March 31, 2025. Debt protection metrics of the company remained comfortable with maintenance of the interest coverage ratio at over 5x in FY25 (provisional). DSCR also stood comfortable at over 2x as on FY25 (provisional). Infomerics expects that the financial risk profile of HUPL will continue to improve in the near term.

Key Rating Weaknesses

- **Intense competition in coal trading business with exposure to government regulations**
  The company mainly trades in domestic coal. The coal trading industry is highly fragmented with presence of many organised and unorganised players. Similarly, the steel trading industry is also characterised by large numbers of organised and organised players leading to intense competition. Limited value addition in trading activities restricts the pricing flexibility and in turn exerts pressure on the company's margins. Further, coal is an important natural resource, and its mining and industry-wise allotment is regulated by the Government of India. Any adverse change in the regulatory framework is likely to impact the operations of the company.
- **Low profit margins owing to trading nature of business**
  Notwithstanding its improvement in margins, the operating profit margin of the company remained thin and rangebound where the EBITDA margin was at 6.88% in FY25 (provisional) due to its low value additive trading nature of operation with low product differentiation. The PAT margin of the company also remained rangebound.
- **Working capital intensive nature of operations**
  The operations of the company is working capital intensive as the company needs to procure coal through advance payment or on spot payment whereas it has to extend credit period to its customers. Further, a large part of its working capital remained blocked in advances to SECL.

Analytical Approach: Standalone

Applicable Criteria:

- Rating Methodology for Trading Companies.
- Financial Ratios & Interpretation (Non-Financial Sector).
- Criteria for assigning Rating outlook.
- Policy on Default Recognition
- Complexity Level of Rated Instruments/Facilities
- Guidelines on what constitutes Non-Cooperation by clients

Liquidity – Adequate

HUPL has earned a gross cash accrual of Rs. 15.83 crore in FY25 (provisional). Further the company is expected to earn a gross cash accrual in the range of ~Rs. 19 - 22 crore as against its low debt repayment obligations of Rs. 0.51 to 1.50 crore during FY26 (refers to period April 1st, 2025, to March 31st, 2026) to FY28 (refers to period April 1st, 2027, to March 31st, 2028). Accordingly, the liquidity position of the company is expected to remain adequate in the near to medium term. The average cash credit utilization of the company also remained low at ~42% during the past 12 months ended May 2025 indicating sufficient liquidity cushion. Further, absence of any debt funded capex provides further comfort to the liquidity position.

About the Company

Hind Unitrade Private Limited (HUPL) was incorporated in March 2010 by Mr. Vinod Kumar Agarwal and Mr. Sanjay Mittal in Raipur, Chhattisgarh. The company is mainly engaged in trading of coal and coal processing business which includes activities like procurement of coal by participating in e-auction, lifting of coal from mines and crushing it as per client's requirements. From FY19-20 (refers to period April 1st, 2019, to March 31st, 2020), company has also entered into business of Trading of Iron Ore, Sponge Iron and other Iron & Steel products. HUPL's coal crusher facility is located at Ambikapur, Chhattisgarh.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	443.68	373.09
EBITDA	7.66	25.66
PAT	1.86	15.31
Total Debt	73.96	66.86

Adjusted Tangible Net Worth	49.83	66.06
EBITDA Margin (%)	1.73	6.88
PAT Margin (%)	0.42	4.10
Adjusted Overall Gearing Ratio (x)	1.48	1.01
Interest Coverage (x)	1.45	5.36

* *Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: CARE Ratings had continued the ratings of HUPL in the Issuer Not Cooperating category due to non-availability of information, vide PR dated March 17, 2025.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years			
		Type	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
					Mar. 11, 2025	Feb. 13, 2024	Jul. 31, 2023	Jun. 29, 2022
1	UGCEL	Long Term	2.81	IVR BBB-/ Stable	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable
2	Cash Credit	Long Term	100.00	IVR BBB-/ Stable	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable
3	Working Capital Demand Loan	Long Term	4.60	IVR BBB-/ Stable	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-

**Issuer did not cooperate; based on best available information*

Analytical Contacts:

Name: Sanmoy Lahiri Tel: (033) 4803 3621 Email: s.lahiri@infomerics.com	Name: Sandeep Khaitan Tel: (033) 4803 3621 Email: sandeep.khaitan@infomerics.com

About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and 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.

Annexure 1: Instrument/Facility Details:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
UGCEL 1	-	-	June 2024	1.07	IVR BBB-/ Stable
UGCEL 2	-	-	February 2027	1.74	IVR BBB-/ Stable
Cash Credit 1	-	-	-	42.00#	IVR BBB-/ Stable
Cash Credit 2	-	-	-	35.00	IVR BBB-/ Stable
Cash Credit 3	-	-	-	23.00	IVR BBB-/ Stable
Working Capital Demand Loan	-	-	-	4.60	IVR BBB-/ Stable

#LC of Rs. 20.00 crore is sublimit

Annexure 2: Facility wise lender details:
https://www.infomerics.com/admin/prfiles/len-hind-unitrade-sep25.pdf

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

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

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.