



**Press Release**  
**SHAH COAL PRIVATE LIMITED**  
**July 31, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	65.00	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative	-
Bank Loan Ratings	135.00	-	ACUITE A3   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuité has reaffirmed its long term rating of 'ACUITÉ BBB-' (read as ACUITÉ triple B minus) and short term rating of 'ACUITÉ A3' (read as ACUITÉ A three) on the Rs.200.00 Cr. bank facilities of Shah Coal Private Limited (SCPL). The outlook is revised from 'Stable' to 'Negative'.

**Rationale for Revision in outlook**

The revision in outlook is on the account of consistent decline in the operating performance of the company in the past two years with an expected subdued operating performance in near to medium terms. Further, the rating also considers the working capital intensive operations of the company. The rating factors in extensive experience of the promoters and moderate financial risk profile of the company. However, the rating is further constrained on account of high customer concentration risk and presence in competitive and regulated industry.

**About the Company**

Mumbai based Shah Coal Private Limited (SCPL) was incorporated in 1997. SCPL provides logistics solutions to its customers for domestic coal procurement. It also trades in imported coal. The company is promoted by Mr. Vinay Shah and Mr. Ketan Shah. SCPL has a wholly owned subsidiary, Pan Asia Resources DMCC, based in Dubai, UAE and is engaged in trading of imported coal.

**About the Group**

**Pan Asia Resources DMCC**

Pan Asia Resources DMCC, is based in Dubai, UAE is a wholly owned subsidiary of Shah Coal Private Limited. It is engaged in trading of imported coal.

**Aarti Logistic Private Limited**

Mumbai based Aarti Logistic Private Limited (ALPL) was Incorporated in 2002, ALPL is involved in coal logistics business and is promoted by Mr. Vinay Shah and Mr. Ketan Shah. It has operational linkages with its sister

company, Shah Coal Private Limited (SCPL), which is involved in coal trading and logistics business.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

**Extent of Consolidation**

Acuité has considered consolidated financial and business risk profiles of Shah Coal Private Limited (SCPL) and Pan Asia Resources DMCC which is a wholly owned subsidiary of SCPL. Further, Acuite has consolidated financial and business risk profile of its group entity namely Aarti Logistic Private Limited (ALPL), hereinafter referred to as Shah group on account of their common management, strong operational and financial linkages of the business segments and the nature of business to arrive at this rating.

## **Key Rating Drivers**

### **Strengths**

#### **Extensive experience of Promoters in the Industry**

Shah Group has been in the coal trading business since 1997, Mr. Vinay Shah and Mr. Ketan Shah, (Promoters), looks after the day-to-day operations of the group. Over the years the promoters have forayed into logistics business and the provide transportation service from the coal fields to the customers location. Their presence of more than three decades of experience in the coal trading business and logistics solutions has enabled the promoter to establish healthy relationships with its customers. Acuité believes that Shah group will continue to derive benefits from the extensive experience of its promoters and the established relationships with its key customers.

#### **Moderate financial risk profile**

The financial risk profile of the group stood moderate marked by healthy net worth, low gearing and moderate debt protection metrics. The tangible net worth stood at Rs.216.93 crore as on 31 March 2025 (Prov.) as against Rs.242.86 crore as on 31 March, 2024. The decline in networth is on account of depletion in reserves in SCPL. The total debt of the group stood at Rs.72.96 crore which includes Rs.60.24 crore of short-term debt, Rs.11.97 crore of unsecured loans and Rs.0.75 crore of CPLTD as on 31 March, 2025 (Prov.). The gearing (debt-equity) stood low at 0.34 times as on 31 March, 2025 (Prov.) as against 0.50 times as on 31 March, 2024. Interest Coverage Ratio (ICR) stood at 1.60 times for FY2025 (Prov.) as against 3.02 times for FY2024. Debt Service Coverage Ratio (DSCR) stood at 0.58 times in FY2025 (Prov.) as against 1.06 times in FY2024. Total outside Liabilities/Total Net Worth (TOL/TNW) stood at 0.51 times as on 31 March, 2025 (Prov.) as against 1.12 times as on 31 March, 2024. Net Cash Accruals to Total Debt (NCA/TD) stood at 0.11 times for FY2025 (Prov.) as against 0.22 times for FY2024. Acuite believes that the financial risk profile of the group would remain moderate over the medium term due subdued net cash accruals.

### **Weaknesses**

#### **Decline in operating performance of the company**

The revenue of the group declined significantly and stood at Rs.157.97 crore in FY2025(Prov.) as against Rs.480.61 crore in FY2024. The decline in revenue is on account of reduced coal importing and trading business in SCPL due to lower margins. Further, the group diversified its customer base for better realisations to State Power companies, however the shift does bring in its own challenges in terms susceptibility over timely collections. The revenue for Q1FY2026 of the group stood at Rs.39.81 crore out of which Rs.9.66 crore is unbilled and the group is targeting to close the year in the range of Rs.150 crore – Rs.160 crore. The company has an unexecuted order book of ~ Rs.248.75 crore as on June 2025. The operating margins of the company improved in FY2025 (Prov.) and stood at 9.64 per cent as against 7.55 per cent in FY2024 due to discontinuation of lower margin business. Acuite believes, the operating scale and profitability of the company would remain subdued over the medium term and the overall stabilisation in revenues and profitability would remain as a key rating monitorable.

#### **Working Capital Intensive Operations**

The operations of the group remained working capital intensive marked by gross current assets (GCA) of 455 days in FY2025 (Prov.) as against 252 days in FY2024. The increase in GCA days are on account of high debtor days. The GCA days are further expected to remain intensive and in the similar range in near to medium terms. The debtor days stood at 123 days in FY2025 (Prov.) as against 108 days in FY2024 which are also expected to increase marginally in near to medium terms on the account of elongated collections from the state power corporation. The creditor days stood low at 20 days in FY2025 (Prov.) as against 107 days in FY2024. The fund-based limits utilisation stood at 86 per cent and non-fund-based stood at 85 per cent for 6 months ended June 2025. Acuite expects the operations of the company to remain working capital intensive over the medium term on the back of exposure to power corporations which are expected to further elongate the working cycle of the group.

#### **High customer concentration risks**

While the company enjoys a long-standing relationship with its key customers, Shah group is exposed to high customer concentration risk with large portion of the business is with State Power companies. The company added new customers such as Karnataka Power Corporation Ltd, Parichha Thermal Power Project (UP Power), Anpara Thermal Power Plant (UP Power) & Rashtriya Ispat Nigam Limited (RINL). The company is engaged in providing logistics solutions backed by the orders received, thus any decline in offtake from its customers will have an impact on the company's sales volume to a large extent.

### **Competitive and regulated industry**

Coal being a commodity has demonstrated significant volatility in its prices in the past. Imported coal prices are also governed by global demand-supply factors. The coal trading and transport industry is highly fragmented, with many players, due to the low entry barriers. This has restricted the growth in the company's margins in these segments. Also, the industry is highly regulated, with the ministry of coal governing its operations in the country. Any adverse regulations would impact the operations of the company. Shah Coal group may face challenges if receivables exceed usage of letters of credit. Furthermore, the business risk profile remains exposed to fluctuations in coal prices and the regulatory policies of the government. Acuité believes that any change in regulations and policies could have an adverse impact on the business risk profile of the group and expects the profitability position of the group to remain modest over the medium term.

### **Rating Sensitivities**

- Sustenance in revenue growth and profitability
- Deterioration in financial risk profile
- Deterioration in working capital cycle

### **Liquidity Position Adequate**

The Group's liquidity position is adequate marked by sufficient net cash accruals against its maturing debt obligations. The group has net cash accruals of Rs.7.95 crores as against its maturing debt obligations of Rs.23.47 crores in FY2025 (Prov.). The group has prepaid its entire long term debt obligation and for the prepayment group has arranged funds by selling of their fleets (Trucks) and additionally used the OD limits to repay the same. The company further plans to sell of another 100 trucks in FY2026 and FY2027. In addition, it is expected to generate a sufficient cash accrual in the range of Rs.7-9 crores against no maturing debt obligations for FY2026 and FY2027. The working capital management of the company is intensive marked by GCA days of 455 days in FY2025 (prov.) as against 252 days in FY2024. The company maintains unencumbered cash and bank balances of Rs.2.20 crore as on March 31, 2025 (Prov.). The current ratio stands at 2.65 times as on March 31, 2025 (Prov.), as against 1.78 times as on March 31, 2024. The average bank limit utilization for fund-based facilities for the past 06 months ending June 2025 is ~ 86 percent and for non-fund based is around ~85 percent.

### **Outlook: Negative**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	157.97	480.61
PAT	Rs. Cr.	3.61	6.13
PAT Margin	(%)	2.29	1.28
Total Debt/Tangible Net Worth	Times	0.34	0.50
PBDIT/Interest	Times	1.60	3.02

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

Not Applicable

### Any Other Information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.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

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Mar 2025	Letter of Credit	Short Term	50.00	ACUITE A3 (Downgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	45.00	ACUITE A3 (Downgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A3 (Downgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3 (Downgraded from ACUITE A3+)
	Secured Overdraft	Long Term	5.00	ACUITE BBB-   Stable (Downgraded from ACUITE BBB   Stable)
	Dropline Overdraft	Long Term	5.00	ACUITE BBB-   Stable (Downgraded from ACUITE BBB   Stable)
	Secured Overdraft	Long Term	8.33	ACUITE BBB-   Stable (Downgraded from ACUITE BBB   Stable)
	Dropline Overdraft	Long Term	38.00	ACUITE BBB-   Stable (Downgraded from ACUITE BBB   Stable)
	Proposed Long Term Bank Facility	Long Term	8.67	ACUITE BBB-   Stable (Downgraded from ACUITE BBB   Stable)
07 Dec 2023	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	50.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Secured Overdraft	Long Term	5.00	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	8.33	ACUITE BBB   Stable (Reaffirmed)
	Dropline Overdraft	Long Term	43.00	ACUITE BBB   Stable (Reaffirmed)
	Dropline Overdraft	Long Term	5.00	ACUITE BBB   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	13.67	ACUITE BBB   Stable (Reaffirmed)
12 Sep 2022	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	50.00	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A3+ (Assigned)
	Secured Overdraft	Long Term	5.00	ACUITE BBB   Stable (Assigned)
	Secured Overdraft	Long Term	8.33	ACUITE BBB   Stable (Assigned)
	Dropline Overdraft	Long Term	38.00	ACUITE BBB   Stable (Assigned)
	Dropline Overdraft	Long Term	5.00	ACUITE BBB   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	18.67	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
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE A3   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A3   Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A3   Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	37.20	Simple	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	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.	14.47	Simple	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Punjab National Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.33	Simple	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company Name
1.	Shah Coal Private Limited
2.	Pan Asia Resources DMCC
3.	Aarti Logistic Private Limited

## Contacts

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