



**Press Release**  
**GANDHAR COALS AND MINES PRIVATE LIMITED**  
**June 10, 2025**  
**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.00	ACUITE BBB+   Stable   Assigned	-
Bank Loan Ratings	20.00	ACUITE BBB+   Stable   Reaffirmed	-
Bank Loan Ratings	95.00	-	ACUITE A2+   Assigned
Bank Loan Ratings	243.00	-	ACUITE A2+   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	363.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long term rating of 'ACUITE BBB+' (read as ACUITE triple B plus) and short term rating of 'ACUITE A2+' (read as ACUITE A two plus) on the Rs.263.00 Cr. bank loan facilities of Gandhar Coals and Mines Private Limited (GCMPL). The outlook is 'Stable'.

Further, Acuite has assigned the long-term rating of 'ACUITE BBB+' (read as ACUITE triple B plus) and short term rating of 'ACUITE A2+' (read as ACUITE A two plus) on the Rs.100 Cr. bank loan facilities of Gandhar Coals and Mines Private Limited (GCMPL). The outlook is 'Stable'.

**Rationale for rating**

The rating takes comfort from the extensive experience of its promoters and established track record of operations. The rating also takes into account the increase in operating and profitability margins which stood at 16.69% and 11.81% respectively albeit volatile revenue performance in last three years wherein the revenue stood at Rs.1351.56 Cr. in FY2024 as against Rs.1954.39 Cr. in FY2023 on account of decrease in demand from private customers majorly during monsoon, reduced tender size floated from Maharashtra Power Generation Company and decrease in average price realization of non-coking coal. However, there has been increase in topline in FY2025 estimated at Rs.1535.56 Cr. owing to the increase in revenue from trading of coal and cargo handling services. Further, the financial risk profile of GCMPL is healthy marked by healthy net worth, gearing below unity and strong coverage indicators. Additionally, the liquidity position is strong reflected by healthy cash accruals, current ratio and moderate bank limit utilization. However, the aforementioned factors are partly offset by susceptibility of company's profitability to volatility in coal prices, decrease in average price realization and moderated working capital operations in FY2024 as well as FY2025 reflected by high GCA days and the same will be key monitorable factors. The rating is further constrained by tender based nature of business and customer concentration risk wherein approximately 60% of the revenue is generated from Maharashtra Power Generation Company and any change in the vendor selection by customer can have a severe impact on the revenue of the company.

**About the Company**

Mumbai based, Gandhar Coals and Mines Private Limited was incorporated in August 2018. Earlier it was a partnership firm which was later converted into Private Limited Company. The company imports non-coking coal from countries including Indonesia, Australia, South Africa etc. and receives bulk orders through ports across

Maharashtra, Gujarat, Andhra Pradesh, West Bengal etc. and distributes to its customers all over India. The current directors are Mr. Saurabh Ramesh Parekh and Mr. Kunal Kailash Parekh. The non-coking coal is mainly used in power generation companies, cement, steel and metal, chemical and pharma, refineries, paper units, textile units, sugar industries etc.

**Unsupported Rating**

## Analytical Approach

Acuite has considered the standalone business and financial risk profile of GCMPL while arriving at the rating.

## Key Rating Drivers

### Strengths

#### Extensive experience of promoters in the industry and Long operational track record

The current promoters of GCMPL are Mr. Saurabh Ramesh Parekh and Mr. Kunal Kailash Parekh who have experience of over a decade in the industry. The operational track record and extensive experience of the promoters has helped GCMPL achieve a relatively large scale of operations and establish healthy relationship with its customers and suppliers. The company caters to a reputed client base which includes Maharashtra State Power Generation Company Limited, Hinduja National Power Corporation Limited, Reliance Industries Limited, etc. Acuite believes that GCMPL will continue to benefit from its experienced management, established relations with clientele as well as suppliers and long track record of operations.

#### Healthy Financial Risk Profile

The financial risk profile of the company is healthy, marked by healthy net worth, strong leverage and coverage indicators. The net worth of the company stood at Rs.417.40 Crores in FY2024 as against Rs.257.98 in FY2023. The increase in the net-worth is on an account of accretion of profits into reserves. The capital structure of the company is marked by gearing ratio which stood below unity at 0.02 times as on 31st March 2024 against 0.09 times as on 31st March 2023. Further, the coverage indicators of the company are reflected by interest coverage ratio and debt service coverage ratio which stood at 10.98 times and 8.28 times respectively as on 31st March 2024 as against 9.87 times and 7.64 times respectively as on 31st March 2023. The TOL/TNW ratio of the company stood at 0.92 times as on 31st March 2024 as against 0.96 times as on 31st March 2023 and Debt-EBITDA stood at 0.03 times as on 31st March 2024 as against 0.08 times as on 31st March 2023. Acuite expects the financial risk profile of the company to remain healthy in near to medium term with no debt funded capex plans.

#### Increase in profitability margins albeit decrease in revenue

The revenue of the company stood at Rs.1351.56 Crore in FY2024 against Rs.1954.39 Crores in FY2023. The dip in revenue is on account of decrease in demand from private customers majorly during monsoon along with reduced tender size floated from Maharashtra State Power Generation Company Limited (Mahagenco) in FY2024. Moreover, the decrease in average price realization on account of price correction further added to the dipping revenue. However, there has been increase in topline in FY2025 estimated at Rs.1535.56 Cr. Further, EBITDA Margin of the company increased and stood at 16.69% in FY2024 as compared to 14.59% in FY2023. The increase is on account of better negotiations. Likewise, PAT Margin increased to 11.81% in FY2024 from 10.12% in FY2023. Acuite expects that the revenue and profitability of the company will remain healthy in near to medium term owing to the increase in revenue from trading of coal and cargo handling services and same will remain a key sensitive factor.

### Weaknesses

#### Moderate Working Capital Operations

The working capital operations of the company moderated marked by GCA days of 159 days as on 31st March 2024 as compared to 55 days as on 31st March 2023. The higher GCA days is mainly on account of incremental other current assets along with increase in inventory and debtors. The inventory days stood at 24 days as on 31st March 2024 as compared to 4 days as on 31st March 2023 which elongated as the company is maintaining stored coal inventory as in when required for order execution. The same further stretched the creditor days which stood at 104 days as on 31st March 2024 as compared to 32 days as on 31st March 2023. The debtor days stood at 110 days as on 31st March 2024 as compared to 42 days as on 31st March 2023. Further, working capital limits stood at an average of 46.96% for non-fund based facilities for the last six months ended March, 2025. Acuite expects that working capital operations are likely to remain similar in near to medium term.

#### Competitive segment and stressed end user industry

Coal traded and transported by the company find their end use by companies involved in power generation, manufacturing of cement, iron & steel. Increasing cost of supply as against environmentally friendly and economically attractive options of solar and wind power has led to some reduction in energy consumption from thermal power plants, putting these power plants under financial distress. Further, the company deals with government organizations and quotes for the contracts on tender basis. Risk become more pronounced as tendering is based on minimum amount of bidding of contracts. Going forward, the company's ability to successfully bid for greater number of large orders remains to be seen. Moreover, delays and non-receipt of power dues from MSPGCL and any policy changes affecting the highly regulated coal industry, or its end users will

impact the financial and business risk profile of GCMPL.

### **High customer concentration risk**

The company currently has high customer concentration as one customer ~ Maharashtra State Power Generation Company Limited is contributing more than 60% of the total revenue in FY2024 and FY2023 and any change in the customer's vendor selection might have severe impact on the turnover and operations of the company. The company's ability to get repeat order from existing customers and diversify the customer base remains a key monitorable.

### **Rating Sensitivities**

- Sustenance of profitability margins while maintaining scale of operations
- Working Capital Operations

### **Liquidity Position**

#### **Strong**

The liquidity profile of the company is strong with net cash accruals of Rs.160.31 Cr. as on 31<sup>st</sup> March 2024 against nil debt repayment obligations over the same period. Going forward, the company is expected to generate net cash accruals under the range of Rs.180.00 Crore to Rs.220.00 Crore against the debt repayment obligations up to Rs.1.55 Crore over the same period. The current ratio of the company stood at 1.71 times as on 31st March 2024 as against 1.62 times as on 31st March 2023. The working capital limits stood at an average 46.96% for non-fund based facilities for the last six months ended March, 2025. Further, the unencumbered cash and bank balance available with the company stood at Rs.11.78 Crore as on 31st March 2024. Acuité believes that going forward the company will maintain strong liquidity position due to steady accruals.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	1351.56	1954.39
PAT	Rs. Cr.	159.64	197.77
PAT Margin	(%)	11.81	10.12
Total Debt/Tangible Net Worth	Times	0.02	0.09
PBDIT/Interest	Times	10.98	9.87

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

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**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. Acuite'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
12 Mar 2024	Letter of Credit	Short Term	145.00	ACUITE A2+ (Upgraded from ACUITE A3+)
	Bills Discounting	Short Term	10.00	ACUITE A2+ (Upgraded from ACUITE A3+)
	Letter of Credit	Short Term	45.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	48.00	ACUITE A2+ (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Cash Credit	Long Term	5.00	ACUITE BBB+   Stable (Assigned)
14 Dec 2022	Letter of Credit	Short Term	145.00	ACUITE A3+ (Assigned)
	Bills Discounting	Short Term	10.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	10.00	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
CSB Bank Limited	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE A2+   Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A2+   Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+   Stable   Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB+   Stable   Reaffirmed
IDFC First Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+   Stable   Reaffirmed
CSB Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+   Stable   Assigned
IDFC First Bank Limited	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	43.00	Simple	ACUITE A2+   Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	145.00	Simple	ACUITE A2+   Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE A2+   Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A2+   Assigned

\* Cash Credit and Letter of Credit Limits from IDFC First Bank are sublimit of combined working capital limit of Rs.48.00 Cr.

## Contacts

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### About Acuité Ratings & Research

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