



Press Release
EARTH MINERALS COMPANY LIMITED
January 27, 2025
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	70.00	ACUITÉ BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	40.00	-	ACUITÉ A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	110.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITÉ BB+**’ (read as **ACUITÉ double B plus**) from ‘**ACUITÉ A+**’ (read as **ACUITÉ A plus**) on the Rs.70.00 crore bank facilities and downgraded the short term rating to ‘**ACUITÉ A4+**’ (read as **ACUITÉ A four plus**) from ‘**ACUITÉ A1**’ (read as **ACUITÉ A one**) on the Rs.40.00 crore bank facilities of Earth Minerals Company Limited (EMCL). The rating is now flagged as “Issuer Not-Cooperating” and is based on the best information available. The downgrade is on account of information risk.

About the Company

Earth Minerals Company Limited (EMCL) was incorporated in the year 2002, is a part of the Hind Energy group. The company is engaged in coal washing and has an installed capacity of 4 MTPA. Presently in FY2023, EMCL’s shareholding has changed and HECBIL ceases to be a holding company of EMCL. However, the shareholding is with the promoter group and their other group entities and HECBIL has also extended corporate guarantees to EMCL’s bank loans.

About the Group

Hind Energy and Coal Benefication India Limited (HECBIL) was incorporated in 2005 as a private limited company and later on the constitution was changed to a limited company in 2010. The company is managed by Mr. Pawan Kumar Agrawal and Mr. Sanjay Agrawal along with a group of experienced professionals. HECBIL is engaged in the beneficiation of non-coking coal according to the Gross Calorific Value (GCV) requirement of the customers. The customer base comprises of power generating, steel and cement industries. The company also trades in reject coal which is the by-product of beneficiation. The group has an overall installed capacity of 16.64 MTPA. In HECBIL, the washing capacity is 6.48 MTPA.

Based in Bilaspur, Clean Coal Enterprises Private Limited (CCEPL) is managed by Mr. Pawan Kumar Agrawal and Mr. Sanjay Agrawal. CCEPL is engaged in the beneficiation of non-coking coal based on the GCV requirement of the customers from the power generating, steel and cement industries. Additionally, the company trades in reject coal. Currently, the company has an installed capacity of 1.86 MTPA.

Hind Multi Services Private Limited (HMSPL) is a subsidiary of Hind Energy and Coal Benefication India Limited (HECBIL) and has a washing capacity of 3.4 MTPA. HMSPL is promoted by Mr. Pawan Kumar Agrawal and Mr. Sanjay Agrawal.

Based in Madhya Pradesh, Radiant Coal Benification Private Limited (RCBPL) is promoted by Mr. Pawan Kumar Agarwal and Mr. Satish Kumar Agarwal. RCBPL is involved in the coal beneficiation business with an installed capacity of 0.9 MTPA.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

Limitation regarding information availability

This rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	1041.07	755.55
PAT	Rs. Cr.	129.01	118.87
PAT Margin	(%)	12.39	15.73
Total Debt/Tangible Net Worth	Times	0.26	0.23
PBDIT/Interest	Times	9.79	12.40

Status of non-cooperation with previous CRA

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>
- Trading Entitie: <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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Nov 2023	Cash Credit	Long Term	20.00	ACUITE A+ Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	50.00	ACUITE A+ Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Proposed Bank Guarantee	Short Term	10.00	ACUITE A1 (Assigned)
07 Feb 2023	Cash Credit	Long Term	10.00	ACUITE A- Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	10.00	ACUITE A2+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A1)
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	70.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A+)
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A1)

* The issuer did not co-operate; based on best available information.

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

Sr. No.	Company name
1	Hind Energy and Coal Benefication India Limited (HECBIL)
2	Clean Coal Enterprises Private Limited (CCEPL)
3	Radiant Coal Benefication Private Limited (RCBPL)
4	Earth Minerals Company Limited (EMCL)
5	Hind Multi Services Private Limited (HMSPL)

Contacts

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About Acuité Ratings & Research

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