



**Press Release**  
**PARAS POWER AND COAL BENEFICATION LIMITED**  
**November 07, 2024**  
**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	40.00	ACUITE C   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	50.00	-	ACUITE A4   Downgraded   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	90.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	0.00	-	-
* The issuer did not co-operate; based on best available information.			

**Rating Rationale**

Acuite has downgraded its long-term rating to ‘**ACUITE C**’ (read as **ACUITE Cf**) from ‘**ACUITE BBB**’ (read as **ACUITE Triple B**) and the short-term rating to ‘**ACUITE A4**’ (read as **ACUITE A four**) from ‘**ACUITE A3+**’ (read as **ACUITE A three plus**) on Rs. 90.00 Cr. bank facilities of Paras Power and Coal Benefication Limited. The rating is now flagged as “Issuer Not-Cooperating” and is based on best available information.

The downgrade is on account of information risk and due to delays reported in credit information bureau report. As per the report, delays are observed in servicing of debt obligations in loan accounts where the company is a guarantor.

**About the Company**

Incorporated in 2007, Paras Power and Coal Benefication Limited (PPCBL), the flagship entity of the Paras group is a Bilaspur (Chhattisgarh) based company engaged in coal washing, coal crushing, coal trading and handling along with transportation and logistics services. The group is promoted by the Jain family. Currently the business is managed by Mr. Praveen Kumar Jain and later on his son joined Mr. Prashant Kumar Jain. In FY 2018-19 they set up a coal washery and Railway Siding unit at Bilaspur.

**About the Group**

Established in 2010 Paras Trading Company is proprietorship firm based in Chhattisgarh. It is involved in coal trading and transportation services and started its operation since FY2022. The proprietor of the firm is Mr. Prashant Kumar Jain.

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower**

Acuite 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. Acuite

believes that information risk is a critical component in such ratings, and noncooperation 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**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry

from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit ratings 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.	425.58	174.51
PAT	Rs. Cr.	95.36	31.06
PAT Margin	(%)	22.41	17.80
Total Debt/Tangible Net Worth	Times	0.67	1.15
PBDIT/Interest	Times	77.81	17.85

### 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Aug 2023	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	20.00	ACUITE BBB   Stable (Assigned)
	Cash Credit	Long Term	20.00	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
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A4   Downgraded   Issuer not co-operating* ( from ACUITE A3+ )
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A4   Downgraded   Issuer not co-operating* ( from ACUITE A3+ )
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE BBB )
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE BBB )

\* 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	Paras Power and Coal Benefication Limited
2	Paras Trading Company

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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