

Coalsale Company Limited

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	0.75	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	11.75	CARE A4+; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Coalsale Company Limited (CCL) to monitor the rating vide email communications dated June 23, 2025, June 27, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited's (CareEdge Ratings) opinion is not sufficient to arrive at a fair rating. Further, CCL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on CCL's bank facilities will now be denoted as CARE BB+; Stable/CARE A4+; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The ratings are constrained by small scale of operation albeit improvement in FY25, high collection period, intense competition due to low entry barriers and high client concentration. The ratings, however, continue to derive comfort from the experience of the promoters, established relationship with reputed clients, satisfactory profitability margins and comfortable capital structure and debt coverage indicators.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on July 04, 2024, the following were the rating strengths and weaknesses (updated for the information available from the company):

Key weaknesses

Small scale of operations albeit improvement in FY25

Though the total operating income improved to Rs. 120.82 crore in FY25 as against Rs. 106.18. crore in FY24, the overall scale of operations of the company continued to remain small. The revenue booked was driven from coal liaisoning & supervision services. The small scale restricts the financial flexibility of the company in times of stress, and it suffers on account of lack of economies of scale.

High Collection Period

The company provides end to end solution for coal starting from Coal India Limited's office to the coal mine sites, railway rack loading to client's factory and accordingly it requires 2 to 3 months' time in realizing bills from clients. However, as the company caters to reputed clients the counterparty risk is minimal despite long collection days. The average collection period remained high at 143 days in FY25(P.Y.: 175 days).

Intense competition due to low entry barriers

The company is into coal handling and related services which is highly fragmented and competitive in nature due to low entry barriers. Further, all the entities in the industry trade the same products with little product differentiation resulting in price driven

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

sales. Intense competition restricts the pricing flexibility of the company in the bulk customer segment hence the players in the industry do not have pricing power and are exposed to competition-induced pressures on profitability.

High client concentration

The company derived around 90% of its total revenue in FY24 from a single client (Vedanta Limited) which exposes the company to client concentration risk. However, the risk is mitigated to a certain extent due to reputed clientele and established position of CCL in obtaining repeat orders from its clients.

Key strengths

Experience of the promoters and diversified clientele

The company is into coal handling and related services apart from coal trading business since 1997 and accordingly has long operational track record. Mr. Rajesh Kumar Kabra, who has close to three decades of experience in this line of business, looks after the day-to-day operations of the company. Furthermore, he is supported by Mr. Ramawtar Kabra, one of the promoters who has around five decades of experience in this line of business, other non-executive, and independent directors along with a team of experienced professional are also engaged in the operations of the company. The company caters to diversified clients in the sectors like cement, power, steel and other several industries. The major clients of the company include reputed names like Vedanta Limited, Dalmia Cement Limited, Jindal Steel and Power Limited etc.

Satisfactory profitability margins

The profitability margins have remained satisfactory and stable in FY25 with PBILDT margin of 18.36% (17.38% in FY24) and PAT margin of 21.47% in FY25 (17.26% in FY24). The PBILDT margins have increased due to increase in operations and better absorption of fixed costs. The PAT margins have increased due to increase in non-operating income as well as increase in operating income.

Comfortable capital structure and debt coverage indicators

The capital structure of the company is marked comfortable as overall gearing stood at 0.05x as on March 31, 2025 (P.Y.: 0.20x). It improved on account of lower utilization of working capital limits as on balance sheet date and accretion of profit to net worth. Accordingly, TOL/TNW improved from 1.28x as on March 31, 2024, to 0.86x as on March 31, 2025. The debt coverage indicators remained comfortable marked by interest coverage ratio of 115.89x (68.38x in FY24) and total debt to GCA of 0.16x (0.65x in FY24) in FY25. Increase in interest coverage was on account of increase in operating profit levels. The total debt to GCA improved in FY25 due to increase in GCA as well as lower utilization of working capital limits.

Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport Services	Transport Related Services

Coalsale Company Limited (CCL) was Incorporated in 1997 and is engaged in providing coal handling and other related services including coal liasioning services, logistics of coal (through railway), and quality checks for domestic and imported coal. Apart from this, it is also engaged in share trading activities. CCL provides its services to a diversified client base in Cement, Power, Steel and other industries.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	106.18	120.82
PBILDT	18.45	22.18
PAT	18.33	25.94
Overall gearing (times)	0.20	0.05

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Interest coverage (times)	68.38	115.89

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	0.75	CARE BB+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	7.00	CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Proposed non fund based limits		-	-	-	4.75	CARE A4+; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Bank Overdraft	LT	0.75	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (04-Jul-24)	1)CARE BB+; Stable (04-Jul-23)	1)CARE BB+; Stable (14-Jul-22)
2	Non-fund-based - ST-Proposed non fund based limits	ST	4.75	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A4+ (04-Jul-24)	1)CARE A4+ (04-Jul-23)	1)CARE A4+ (14-Jul-22)
3	Non-fund-based - ST-Bank Guarantee	ST	7.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A4+ (04-Jul-24)	1)CARE A4+ (04-Jul-23)	1)CARE A4+ (14-Jul-22)

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

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Proposed non fund based limits	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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