

## Mahavir Coal Resources Private Limited

January 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	38.00 (Enhanced from 26.01)	CARE BBB-; Stable	Reaffirmed
Long-term / Short-term bank facilities	57.00 (Reduced from 68.99)	CARE BBB-; Stable / CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to bank facilities of Mahavir Coal Resources Private Limited (MCRPL) continue to derive strength from the company's experienced promoters and established operations in coal trading and logistics/transportation business with adequate liquidity despite some moderation due to forfeiture of deposits following termination of the coal block contract. Ratings also consider volume-driven growth in the company's scale of operations in FY25 (FY refers to April 01 to March 31) and H1FY26, and maintenance of healthy profitability and a comfortable capital structure.

Ratings are constrained by MCRPL's profitability being vulnerable to volatile coal prices and foreign exchange rate fluctuations, intense competition in the coal trading business with exposure to regulatory risk, and a reputed-yet-concentrated client base.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Sustained healthy volume-based growth in scale of operations and maintenance of healthy profitability and comfortable capital structure.

#### Negative factors

- Moderation in scale of operations with TOI falling below ₹200 with major moderation in profitability with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin falling below 8% on a sustained basis.
- Major debt funded capex resulting into moderation in capital structure and/or liquidity.

### Analytical approach: Standalone

#### Outlook: Stable

Stable outlook reflects CARE Rating Limited's (CareEdge Ratings) expectations that the company shall sustain its credit risk profile in the near-to-medium term with growth in scale and moderate profitability and capital structure, aided by its established operations in the coal industry.

### Detailed description of key rating drivers:

#### Key strengths

##### Experienced promoters with established track record of operations in the industry with reputed clientele base

The entity was originally established in 1990 as a proprietorship concern by Uttam Chand Jain, who has experience of over four decades in the coal trading business. It was reconstituted as a Private Limited company in 2008. The business is managed by his sons, Anurag Jain and Anuj Jain, who have been associated with the business for over 20 years. The management is supported by a sizeable team of professionals for timely execution of orders.

The company's client base comprises players from industries such as power generation, aluminium, chemicals, copper manufacturing, and cement manufacturing, including reputed players such as Hindalco Industries Limited, Jhajjar Power Limited, Jaiprakash Power Ventures Limited, and JK Cement. However, the top five customers formed 77% of total operating income (TOI) in FY25 (FY refers to April 01 to March 31) compared to 87% in FY24, which signifies high customer concentration risk. This risk is partially mitigated by repetitive orders from these customers.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Moderate scale of operations with healthy profitability**

In FY25, MCRPL's TOI grew by 8% to ₹308.31 crore compared to ₹286.12 crore in the previous year (PY), backed by 20% volume growth in coal traded compared to the previous year.

MCRPL's PBILDT margin remained healthy at 9.92% in FY25 compared to 10.36% in PY. The moderation in margin compared to the previous year was owing to a decline in revenue contribution from transportation of coal and other value-added activities, which are margin accretive. The company earns the majority (60-70%) of its revenue from coal trading, while transportation of coal remains margin accretive.

In H1FY26, the company reported sales of ₹263.61 crore compared to ₹152 crore in H1FY25, supported by growth in sales volume, and is expected to register TOI of ~₹500 crore for the full year FY26.

**Comfortable capital structure and debt coverage indicators**

The company's capital structure stood comfortable with an overall gearing of 0.13x compared to 0.10x in the previous year (PY), with no major term debt outstanding as on March 31, 2025, and moderate utilisation of working capital limits for coal procurement. The company's net worth stood at a sizable ₹283.79 crore as on March 31, 2025.

Debt coverage indicators stood comfortable with PBILDT interest coverage of 8.17x compared to 14x in PY and total debt to gross cash accruals (TD/GCA) of 1.77 years compared to 1.14 years in FY25 (FY refers to April 01 to March 31).

**Key weaknesses****Termination of coal mining project**

MCRPL was allotted a coal mine in FY23 for commercial mining, which was expected to generate revenue from FY26 onwards. However, per the letter dated December 01, 2023, from the Ministry of Coal, this contract was terminated considering delay in submission of performance bank guarantee (PBG) of ₹275 crore, despite MCRPL being provided sufficient extension in time limit per standard operating procedures (SOP) of the Ministry. The bid security, fixed cost, and first instalment of upfront amount amounting to ₹20 crore, ₹31 crore, and ₹25 crore respectively, submitted by MCRPL, were forfeited as damages by the Ministry of Coal. Consequently, the company's liquidity, which stood at a sizeable over ₹75 crore at FY23 end, moderated to ~₹30 crore and ~₹25 crore at FY24 and FY25 end respectively.

MCRPL had submitted a writ petition against the termination in Bombay High Court, which was dismissed per the order dated March 21, 2024. Adjusting the company's net worth for the forfeited amount, it stood at ₹190.51 crore and ₹207.79 crore at FY24 and FY25-end respectively.

Going forward, foray into projects adversely impacting the company's capital structure or liquidity profile will remain crucial from a credit perspective.

**Profitability susceptible to volatile coal prices and foreign currency exchange rates**

MCRPL is engaged in trading coal and currently procures coal mainly from auction of coal supplies by Coal India Limited (CIL) and its subsidiaries. It remains inherently exposed to sharp fluctuations in coal prices, which have historically been volatile. Several factors affect coal prices, including domestic and global demand-supply conditions, logistics constraints in transportation, and forex rates. The company has been procuring coal from the domestic market; however, depending on requirement and pricing, it may procure coal from global markets. Accordingly, sharp adverse fluctuations in forex rates may affect the company's profitability, depending on its ability to pass on the increase to customers.

**Inherent risk associated with trading business, intense competition, and regulatory risk**

The company faces intense competition in the industry due to improved availability of domestic coal and low entry barriers. In recent years, the government has undertaken reforms to improve domestic coal production and limit imports, which may impact the operating performance of players in the coal trading business. Government regulations also play a significant role in the industry, as changes in duty structures or regulations on coal trade could impact revenue and profitability of industry players.

**Liquidity: Adequate**

The company's liquidity remains adequate with negligible scheduled repayment obligations, moderate utilisation of fund-based limits, and availability of moderate free cash and liquidity investments.

The company's operating cycle and collection period stood at an elongated 190 days and 164 days respectively at FY25 end, though improved from 238 days and 255 days respectively at FY24 end (FY refers to April 01 to March 31). The company has a moderate inventory period of ~20-60 days, with a large portion of inventory directly shipped to client sites. On the supplier side, the company avails a credit period of ~30 days.

The company had average utilisation of its fund-based facilities at ~79% for the 12 months ended October 2025. The company also had free liquidity of ~₹24.80 crore as on March 31, 2025, including lien-free fixed deposits of ₹3.86 crore and liquid investments in listed entities worth ₹17.60 crore.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial aervices and supplies	Trading and distributors

Incorporated in 2008, MCRPL is engaged in trading and transporting coal. MCRPL was originally established in 1990 as a proprietorship concern by Uttam Chand Jain and the firm was reconstituted as a private limited company in 2008. MCRPL procures coal mainly through e-auction route from CIL and its subsidiaries and sells to entities engaged in power generation and manufacturing steel and cement in Central and Northern India. MCRPL's warehouses are in Katni (Madhya Pradesh), Bilaspur (Chhattisgarh), and Nagpur (Maharashtra).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (Prov.)
Total operating income	286.12	308.31	263.31
PBILDT	29.65	30.58	NA
Profit after tax (PAT)	19.54	17.28	NA
Overall gearing (x)	0.10	0.13	NA
Interest coverage (x)	14.02	8.17	NA

A: Audited, Prov.: Provisional, NA: Not available; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Nil

**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**

<b>Name of the Instrument</b>	<b>ISIN</b>	<b>Date of Issuance (DD-MM-YYYY)</b>	<b>Coupon Rate (%)</b>	<b>Maturity Date (DD-MM-YYYY)</b>	<b>Size of the Issue (₹ crore)</b>	<b>Rating Assigned and Rating Outlook</b>
Fund-based - LT-Cash Credit		-	-	-	38.00	CARE BBB-; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	57.00	CARE BBB-; Stable / CARE A3

**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-Term Loan	LT	-	-	-	-	1)Withdrawn (05-May-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (25-May-22)
2	Fund-based - LT-Cash Credit	LT	38.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (07-Jan-25) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (31-May-24)	1)CARE BBB-; Stable (26-May-23)	-
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	57.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (07-Jan-25) 2)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (31-May-24)	1)CARE BBB-; Stable / CARE A3 (26-May-23)	-
4	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (07-Jan-25) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (31-May-24)	1)CARE BBB-; Stable (26-May-23)	-

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

LT: Long term; LT/ST: Long term/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-Cash Credit	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CareEdge 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

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: 912267543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Kalpesh Ramanbhai Patel Director <b>CARE Ratings Limited</b> Phone: 079-40265611 E-mail: <a href="mailto:kalpesh.patel@careedge.in">kalpesh.patel@careedge.in</a></p> <p>Vipin Bardia Associate Director <b>CARE Ratings Limited</b> Phone: 079-40265671 E-mail: <a href="mailto:Vipin.bardia@careedge.in">Vipin.bardia@careedge.in</a></p> <p>Arpita Alax Christian Lead Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Arpita.Christian@careedge.in">Arpita.Christian@careedge.in</a></p>
--	---

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**