



## Press Release

### Sunshine Coalmin Private Limited

June 17, 2025

#### Ratings

Facilities	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	20.00	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating Upgraded	Simple
Short Term Bank Facilities	115.00 (Enhanced from Rs.70.00 crore)	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A Three)	Rating Upgraded	Simple
<b>Total</b>	<b>135.00</b> <b>(INR One hundred thirty- five crore only)</b>				

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

For arriving at the ratings, Infomerics Ratings has considered the combined financials of Sunshine Coalmin Private Limited (SCPL) and Yashvi Coal and Minerals Private Limited (YCMPL) commonly referred as Yashvi group hereafter as these entities are engaged in similar line of business, run under a common management, and have strong operational and financial linkages.

The upgrade in the ratings is backed by the growth in scale of operation along with steady profitability of the Yashvi group in FY25 (Provisional) [FY refers to the period from April 01 to March 31] backed by satisfactory financial risk profile with comfortable debt protection metrics. Further, the ratings continue to derive comfort from its experienced promoters and team of competent professionals with their strategic connections and operational capability to support the business through various phases of growth and challenges.

However, these rating strengths remain partially offset by the intense competition in coal trading business with exposure to government regulations, susceptibility of profitability to volatility input prices and small operational track record of the group. The ratings also consider the performance of the end-user industry and cyclical demand in the coal industry.

The stable outlook reflects expected steady business performance of the group coupled with sustained financial risk profile supported by experienced promoters.



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### **Key Rating Sensitivities:**

#### **Upward factors**

- Sustained revenue growth with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis
- Sustenance of the capital structure with improvement in debt protection metrics
- Improvement in working capital management leading to improvement in operating cycle and liquidity

#### **Downward Factors**

- Decline in revenue and profitability leading to deterioration in debt protection metrics on a sustained basis.
- Moderation in the capital structure with moderation in TOL/ATNW to over 4x and/or moderation interest coverage below 4x
- Elongation in operating cycle impacting liquidity

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths:**

##### **Experienced promoters**

The current directors of the group have extensive experience of more than 20 years in the coal trading industry, which enables it to carry out its operations efficiently. The company will continue to benefit from its directors' extensive experience and their strong understanding of the market dynamics. The promoters are supported by a team of competent professionals who look after the day-to-day operations of the group.

##### **Growth in scale of operation with steady profitability**

Steam coal prices fluctuated significantly between FY22 and FY25, driven by global demand- supply disruptions and geopolitical events. In FY22, there was a sharp increase in prices due to higher fuel and electricity demand after the COVID-19 pandemic and the impact of the Russia-Ukraine war on gas supplies. This led to coal becoming a key alternative, particularly in Europe. However, prices started to decline from the end of FY23, and a downward trend continues in FY24 and FY25.

Yashvi group on a combined basis has reported a y-o-y growth in topline of ~39% as the total operating income stood at Rs.793.97 crore in FY25 (Provisional) as compared to Rs.570.90 crore in FY24. The Growth in the topline is mainly driven by higher sales volume mainly in SCPL. Backed by improved topline, absolute EBITDA has also improved to



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Rs.47.25 crore in FY25 (Provisional) from Rs.30.36 crore in FY24. However, despite the growth in topline, owing to lower sales realisation coupled with higher freight and other overhead cost, the operating margin has marginally improved to 5.95% in FY25 (Provisional) as against 5.32% in FY24. Moreover, attributable to higher finance cost in FY25, the PAT margin has marginally improved from 3.08% in FY24 to 3.17% in FY25 (Provisional). Furthermore, the net cash accrual of the group stood comfortable at ~Rs.27.98 crore in FY25 (Provisional) with minimal external debt repayment obligation.

On a standalone basis, the total operating income of SCPL has reported a y-o-y growth of ~38% in FY25 (Prov.) as the topline has improved from Rs.397.83 crore in FY24 to Rs. 549.96 crore in FY25 (Prov.). The growth in scale of operation is mainly driven by higher sales volume supported by huge demand of coal in Indian domestic market. The operating margin of the company has improved and remained comfortable at 7.13% in FY25 provisional from 5.94% on FY24. Despite the improvement in EBITDA margin, owing to higher finance cost in FY25 for LC charges, PAT margin has slightly improved and stood satisfactory at 3.64% in FY25 (Provisional) as compared to 3.29% in FY24.

### **Satisfactory financial risk profile with comfortable debt protection metrics**

Yashvi group has a moderate net worth (ATNW) base of Rs.77.04 crore as on March 31, 2025 (Prov.). To support its growing scale of operation, the group has availed additional working capital in FY25 in the form of Cash credit and Letter of credit. Moreover, debt component in capital structure majorly consists unsecured loans from directors and related parties with nominal working capital borrowings and vehicle loans. Backed by improved tangible net worth position, long term debt to equity and overall gearing of the group have improved and stood satisfactory at 0.21x and 0.46x respectively as on March 31, 2025 (Prov.) as compared to 0.46x and 0.84x respectively as on March 31, 2024. Total indebtedness of the group as reflected by TOL/ATNW also improved and stood moderate at 3.27x as on March 31, 2025 (Prov.) against 6.60x as on March 31, 2024. Higher LC utilization has led to an increase in finance cost to Rs.10.95 crore in FY25 (Prov.) from Rs.4.52 crore in FY24. However, supported by steady absolute EBITDA, debt protection metrics marked by interest coverage ratio though moderated continues to remain satisfactory at 4.32x in FY25 (Prov.) as against 6.72x in FY24. Total debt to EBITDA and Total debt to NCA both remained comfortable at 0.74x and 0.57 years respectively as on March 31, 2025 (Prov.).



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On a standalone basis, SCPL has a reasonable net worth base of Rs.52.93 crore as on March 31, 2025 (Prov.). To support its growing scale of operation, SCPL has availed fresh working capital by the end of FY24 and increased the same in FY25 as well. The debt component in the capital structure mainly consists of small vehicle loans from multiple banks and working capital facilities. Long-term debt to equity and overall gearing of the company stood satisfactory at 0.01x and 0.37x respectively as on March 31, 2025 (Prov.). Total indebtedness of the company as reflected by TOL/ATNW also stood moderate at comfortable at 3.65x as on March 31, 2025 (Prov.)

### **Key Rating Weaknesses:**

#### **Short track record of operation**

The group has a short track record of operation of less than five years. However, even with its short track record the group has achieved a satisfactory scale of operations of more than Rs.700 crore.

#### **Intense competition in the coal trading business with exposure to government regulations**

The group mainly trades in domestic coal. The coal trading industry is highly fragmented with the presence of many organized and unorganized players. Limited value addition in trading activities restricts the pricing flexibility and in turn exerts pressure on the company's margins. Further, coal is an important natural resource, and its mining and industry-wise allotment is regulated by the Government of India. Any adverse change in the regulatory framework may impact the operations of the company.

#### **Susceptible to performance of end-user industry and cyclical demand in the coal industry**

Coal is used as fuel in the iron and steel industry. Hence, prospects for the coal industry are linked to the overall fortunes of this end-user segment. The inherent cyclicity in the steel business, the key consuming industry, is likely to keep the cash flows and profitability of the group volatile.

#### **Susceptibility of profitability to volatile input prices**

The last three years have seen coal prices on a wild rollercoaster ride, driven by a complex interplay of geopolitical tensions, supply chain disruptions, and climate concerns. In FY21, coal prices were around USD 60-70 per ton, which went to USD 400 per ton during September 2022 and in FY2024 it dropped to around USD 150-170 per ton and the



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downward trend continued in FY25 as well. As the coal prices are volatile in nature, the profitability of the group is subject to fluctuation in coal prices.

### **Analytical Approach:** Combined

For arriving at the rating, Infomerics has considered the combined financials of Sunshine Coalmin Private Limited (SCPL) and Yashvi Coal and Minerals Private Limited (YCMPL), referred to as Yashvi Group as these companies are controlled by the same management with operational & financial linkages and have cashflow fungibility. **List of companies considered for combined analysis is given under Annexure 4.**

### **Applicable Criteria:**

[Rating Methodology for Trading Companies](#)

[Criteria of assigning Rating Outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of Consolidation of Companies](#)

[Criteria on Complexity](#)

### **Liquidity: Adequate**

The liquidity position of the group is adequate as reflected by sufficient cushion in gross cash accruals which stood at ~Rs.28 crore in FY25 (Provisional) as against its nominal scheduled debt repayment obligation. The liquidity position of the group is expected to remain adequate in the near term marked by its adequate gross cash accruals against its nominal debt repayment obligation in the near term. The group has comfortable gearing headroom in view of its satisfactory capital structure. However, with the scale up of operations, the liquidity might get constrained due to its high working capital requirements.

### **About the Company**

Incorporated in 2020, Sunshine Coalmin Private Limited (SCPL) is a Surat based company engaged in trading of imported steam non-cooking coal. According to the demand, the company also procures coal from local buyers as well as imports from various countries including Indonesia, South Africa, Russia, Australia etc. Mr. Paresh J Khandelwal and Mr. Dinesh Koolwal are the present directors of the company.



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### Financials of Yashvi Group (Combined):

(Rs. crore)

For the year ended* / As On	31-03-2024	31-03-2025
	Combined	Combined
Total Operating Income	570.90	793.97
EBITDA	30.36	47.25
PAT	17.59	25.16
Total Debt	27.24	35.06
Tangible Net worth	51.87	77.04
Tangible Net worth (Adjusted)	32.44	77.04
EBITDA Margin (%)	5.32	5.95
PAT Margin (%)	3.08	3.17
Overall Gearing Ratio (x) (Adjusted)	0.84	0.46
Interest Coverage	6.72	4.32

\*Classification as per Infomerics' standards

### Financials of Sunshine Coalmin Private Limited (Standalone):

(Rs. Crore)

For the year ended* / As On	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	397.83	549.96
EBITDA	23.65	39.23
PAT	13.13	20.03
Total Debt	27.24	19.60
Tangible Net worth	32.90	52.93
EBITDA Margin (%)	5.94	7.13
PAT Margin (%)	3.29	3.64
Overall Gearing Ratio (x) (Adjusted)	0.83	0.37
Interest Coverage	5.92	3.80

\*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Cr.)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					May 27, 2024		
1.	Cash Credit	LT	20.00	IVR BBB/ Stable	IVR BBB/ Stable		



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Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Cr.)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
2.	Letter of Credit	ST	115.00	IVR A3+	IVR A3		

**\* Issuer Not Cooperating based on best available information**

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### About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [formerly Infomerics Valuation and Rating Private Limited] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI). Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by indepth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks. Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Cr)	Rating Assigned/ Outlook
Cash Credit	-	-	-	20.00	IVR BBB/ Stable
Letter of Credit	-	-	-	115.00	IVR A3+

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-sunshine-coalmin-june25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

### Annexure 4: List of companies considered for combined analysis:

Name of the Company	Extent of Consolidation
Sunshine Coalmin Private Limited	Full Consolidation
Yashvi Coal and Minerals Private Limited	Full Consolidation

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com)