

## Clean Coal Enterprises Private Limited

Instrument	Amount ( Rs. Crore)	Rating Action
Fund Based Limit – Cash Credit	Rs. 15	[ICRA]BBB+(SO) (Stable) assigned
(Fund Based Limit – Book Debt)*	(Rs. 7.5)	[ICRA]BBB+(SO) (Stable)/ [ICRA]A2+(SO) assigned
Non Fund Based Limit – Letter of Credit	Rs. 5	[ICRA]A2+(SO) assigned

ICRA has assigned an [ICRA]BBB+(SO) (pronounced ICRA triple B plus Structured Obligation) rating to the Rs. 15 crore<sup>1</sup> cash credit of Clean Coal Enterprises Pvt Ltd (CCEPL). The outlook on the long term rating is Stable. ICRA has also assigned an [ICRA]A2+(SO) (pronounced ICRA A two plus Structured Obligation) rating to the Rs. 5 crore non-fund based bank facility of CCEPL. A book debt of Rs. 7.50 crore, which is a sub-limit of the cash credit facility has also been rated at both long term and short term scale at [ICRA]BBB+(SO)(Stable)/[ICRA]A2+(SO). The letters SO in parenthesis suffixed to the rating symbol stand for Structured Obligation. The assigned [ICRA]BBB+(SO)(Stable)/ [ICRA]A2+(SO). ratings address the servicing of the loan to happen as per the terms of the underlying loan and the guarantee arrangements and the ratings assume that the guarantee will be duly invoked, as per the terms of the underlying loan and guarantee agreements, in case there is a default in payment by the borrower.

This SO rated bank facility is credit enhanced by an unconditional and irrevocable guarantee issued by Hind Energy & Coal Benefication (India) Limited.

The ratings are primarily based on the corporate guarantee provided by CCEPL's holding company Hind Energy & Coal Benefication (India) Limited for CCEPL's entire bank facilities. The guarantee is irrevocable in nature. ICRA also takes note of the experience of the promoters in washing and trading of coal and logistics businesses and the locational advantage enjoyed by the company, given its proximity to SECL mines. The ratings, however, are constrained by the limited track record of operations with core business ie. washing and trading of coal starting from 2015-16 onwards, highly fragmented nature of the industry dominated by a number of unorganized players and limited bargaining power of the company against established customers. Additionally, absence of long term contract with the clients exposes the company to contract renewal risks. In ICRA's opinion, the ability of the company to stabilise its coal washing operations while maintaining a conservative capital structure would be key rating sensitivities going forward.

### Company Profile

Established in 2003, as a greenfield project, CCEPL was acquired by the Hind Energy group in 2011. The company has a coal washing capacity of 0.9 million tonne per annum as in March 2016, which uses wet process technology. CCEPL started commercial production from its plant in the second quarter of 2015-16.

### Recent Results

CCEPL reported gross sales of Rs. 43.03 crore during the 9MFY2016. During FY2015, the company reported a net profit of Rs. 3.19 crore on an operating income of Rs. 0.07 crore

**March 2016**

*For further details please contact:*

#### Analyst Contacts:

**Mr. Jayanta Roy**, (Tel. No. +91-33-22876617 / 22800008)  
jayanta@icraindia.com

#### Relationship Contacts:

**Mr. Jayanta Chatterjee** (Tel. No. +91 33 7150 1100)  
jayantac@icraindia.com

<sup>1</sup> 100 lakh = 1 crore = 10 million.



© Copyright, 2016, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001  
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**

Mobile: **9871221122**

Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002  
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**

Mobile: **9821086490**

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

3rd Floor, Electric Mansion  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai—400025,  
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**

Mobile: **+91 9903394664**

Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020  
Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035  
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Bangalore****Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'  
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008  
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**

Mobile: **989986490**

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006  
Tel: +91-79-26585049, 26585494, 26584924; Fax:  
+91-79-25569231

**Pune****Mr. L. Shivakumar**

Mobile: **989986490**

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range  
Hills Road, Shivajinagar, Pune-411 020  
Tel: + 91-20-25561194-25560196; Fax: +91-20-  
25561231

**Hyderabad****Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj  
Bhavan Road, Hyderabad—500083  
Tel:- +91-40-40676500