



**Press Release**  
**GODAVARI COMMODITIES LIMITED**  
**May 28, 2025**  
**Rating Reaffirmed and Upgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	130.00	ACUITE A+   Stable   Upgraded	-
Bank Loan Ratings	370.00	-	ACUITE A1   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	500.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has upgraded the long-term rating to 'ACUITE A+' (read as ACUITE A plus) from 'ACUITE A' (read as ACUITE A) and also reaffirmed the short-term rating of 'ACUITE A1' (read as ACUITE A one) on the Rs. 500.00 Cr. bank facilities of Godavari Commodities Limited (GCL). The outlook is 'Stable'.

**Rationale for rating upgrade**

The rating upgrade reflects improvement in the company's financial risk profile marked by strengthening network, healthy gearing level and strong debt coverage indicators. Further, it factors in the strong liquidity profile marked by healthy cash accrual generation against nominal repayment obligations and moderate reliance on working capital limits. Furthermore, it considers extensive experience of its promoters and established operational track record of over three decades in the coal trading industry. However, the operating performance moderated and stabilized in FY2024 post an exceptional high of FY2023 due to normalisation in coal price realizations, although this was offset by an increase in sales volume compared to FY2023. The revenue of the company stood at Rs. 1805.47 Cr. in FY2024 as compared to Rs. 2054.12 Cr. in FY2023. Further, GCL has recorded revenue of ~Rs. 1289.62 Cr. in 9MFY25. The rating remains constrained by the working capital-intensive nature of operations, exposure to fluctuations in demand and pricing, and challenges in the end-user industry. Going forward, the company's ability to sustain growth in scale of operations and improve profitability while maintaining its healthy financial risk profile will remain a key rating sensitivity factor.

**About the Company**

Incorporated in 1992, GCL is a Kolkata based company engaged in trading of non-coking coal. The company also provides coal handling, supervision, and transportation services. GCL is promoted by the Bhutoria family associated with coal trading since last three decades. Till fiscal 2012, it was only trading in domestic coal. However, from FY 2013, it also commenced trading in imported coal. Recently, the company has bagged contracts from West Bengal Mineral Development and Trading Corporation Ltd for excavation and loading of Sand from the riverbeds in West Bengal and transporting thereof to customers.

**Unsupported Rating**

Not Applicable

### **Analytical Approach**

Acuité has considered the standalone business and financial risk profile of GCL to arrive at this rating.

### **Key Rating Drivers**

#### **Strengths**

### **Experienced management and established relationship with customers**

Established in 1992, the company has an established track record of operations of over three decades. The promoter, Mr. Padam Chand Bhutoria and the Bhutoria family has more than three decades of experience in the coal trading business. The current directors of the company are Ms. Payal Bafna, Mr. Arun Kumar Maitra, Mr. Indraj Mal Bhutoria, Mr. Kamal Singh Bhutoria and Mr. Pranab Ray. The long-standing experience of the promoters and long track record of operations has helped them to establish comfortable relationships with key suppliers and reputed customers across the country. The clientele majorly consists of client having high credit worthiness and reputations in the market. Some of the key customers of the company are Saroj Commodities Private Limited, Tamil Nadu Generation and Distribution Corporation Limited, West Bengal Minerals Development & Trading Corporation Limited, Lalitpur Power Generation Company Ltd., Narayani Resources Private Limited to name a few.

Acuité believes that the extensive experience of the company's management will continue to support its business risk profile.

### **Strengthening financial risk profile**

The financial risk profile of the company stood healthy, marked by improving net worth, below unity gearing (debt equity) and debt protection metrics. The tangible net worth of the company increased to Rs. 857.02 Cr. as of March 31, 2024, reflecting sustained profitability and an increase from Rs. 755.79 Cr. on March 31, 2023, and Rs. 582.07 Cr. as on March 31, 2022, due to accretion of profits to reserves. The total debt of the company stood at Rs. 126.58 Cr. as on March 31, 2024, as against Rs. 76.32 Cr. as on March 31, 2023. The gearing (debt-equity) ratio stood below unity at 0.15 times as on 31 March 2024 as compared to 0.10 times as on 31 March 2023. The debt protection metrics moderated however overall stood healthy in nature with Interest Coverage Ratio of 12.92 times for FY2024 as against 27.68 times for FY2023. Debt Service Coverage Ratio (DSCR) stood at 11.91 times in FY2024 as against 17.75 times in FY2023. Total outside Liabilities/Total Net Worth (TOL/TNW) stood at 0.41 times as on 31 March 2024 as against 0.69 times as on 31 March 2023. Net Cash Accruals to Total Debt (NCA/TD) stood at 1.33 times for FY2024 as against 2.31 times for FY2023.

Acuité believes that GCL's financial profile will continue to remain healthy in absence of any major debt funded capex plans over the medium term.

### **Stabilization in operating revenue post exceptional high of FY2023**

The company's operating income declined by ~12.10%, to Rs. 1805.47 Cr. in FY2024, compared to Rs. 2054.12 Cr. in FY2023. This decline in revenue is attributed to a correction in coal prices compared to the elevated price levels of FY2023, although the volume sold has increased as compared to FY23 levels. In 9MFY25, the company reported revenues of ~Rs. 1289.62 Cr. Further, the operating margin for FY2024 declined to 7.31%, from 11.05% in FY2023. The decline was primarily attributed to a reduction in contribution margins, resulting from lower price realizations in FY2024. During FY2023, coal prices surged due to supply shortages caused by the Russia-Ukraine war, creating a demand-supply imbalance. This led to an exceptional performance in both revenue and margins in FY2023, driven by higher coal prices. Additionally, the Profit After Tax (PAT) margin declined to 5.60% in FY2024, as compared to 8.44% in FY2023, primarily on account of higher finance cost during the year.

Acuité believes that going ahead, the company's ability to sustain growth in its scale of operations and improvement in profitability shall remain as key rating monitorable.

### **Weaknesses**

#### **Intensive nature of working capital operations**

The working capital management of the company is intensive in nature marked by increasing Gross Current Assets (GCA) of 187 days as on March 31, 2024 as compared to 178 days as on March 31, 2023. The inventory days increased to 61 days in FY2024 as compared to 42 days in FY2023. The debtor days stood at 65 days in FY2024 as against 76 days in FY2023. Further, the creditor days stood at 83 days in FY2024 as compared to 135 days in FY2023. The average utilization of working capital limits remained moderate with average fund-based limits utilisation at ~59.17% over the last twelve months ending December 2024, and non-fund-based limit utilisation at ~56.25% during the same period.

Acuité believes that the working capital operations of the company will remain at similar levels given the nature of the industry over the medium term.

### **Rating Sensitivities**

- Sustained growth in scale of operations while improving operating profitability and maintaining healthy financial risk profile
- Elongation in working capital cycle

### **Liquidity Position**

## **Strong**

The company's liquidity position is strong marked by generation of healthy net cash accruals of Rs. 103.23 Cr. in FY2024 as against its nominal maturing debt obligations of Rs. 2.96 Cr. in the same tenure. In addition, it is expected to generate sufficient cash accrual against its maturing repayment obligations over the medium term. The cash and bank balances of the company stood at Rs. 28.06 Cr. as on March 31, 2024, as compared to Rs. 35.25 Cr. as on March 31, 2023. The current ratio stood comfortable at 3.09 times as on March 31, 2024, as compared to 1.95 times as on March 31, 2023. Further, the working capital management of the company is intensive in nature marked by Gross Current Assets (GCA) of 187 days as on 31st March 2024, however, the reliance on working capital limits remained moderate with average utilisation of fund-based limits at ~ 59.17% over the past twelve months ending January 2025, and non-fund based limit utilisation at ~56.25% during the same period. Going ahead, liquidity position of the company is expected to remain strong on account of healthy accruals against nominal repayment obligation and buffer available from unutilised bank-limits.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	1805.47	2054.12
PAT	Rs. Cr.	101.04	173.40
PAT Margin	(%)	5.60	8.44
Total Debt/Tangible Net Worth	Times	0.15	0.10
PBDIT/Interest	Times	12.92	27.68

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <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
15 Apr 2024	Cash Credit	Long Term	50.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A   Stable (Reaffirmed)
	Letter of Credit	Short Term	27.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	60.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	43.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	50.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	17.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	50.00	ACUITE A1 (Reaffirmed)
	Proposed Bank Guarantee	Short Term	73.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Reaffirmed)
06 Mar 2023	Cash Credit	Long Term	30.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	30.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	27.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A1 (Reaffirmed)

	Bank Guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Proposed Bank Guarantee	Short Term	10.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A1 (Reaffirmed)
	Proposed Letter of Credit	Short Term	3.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	33.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	25.00	ACUITE A1 (Reaffirmed)
	Proposed Bank Guarantee	Short Term	220.00	ACUITE A1 (Assigned)
27 Jan 2023	Cash Credit	Long Term	30.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	10.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	20.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Proposed Cash Credit	Long Term	15.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Letter of Credit	Short Term	20.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Letter of Credit	Short Term	30.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Letter of Credit	Short Term	27.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Proposed Bank Guarantee	Short Term	20.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Letter of Credit	Short Term	30.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee/Letter of Guarantee	Short Term	15.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Proposed Letter of Credit	Short Term	3.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Letter of Credit	Short Term	10.00	ACUITE A1 (Assigned)
	Cash Credit	Long Term	30.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A-   Stable (Reaffirmed)
		Long		

14 Mar 2022	Cash Credit	Term	20.00	ACUITE A-   Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	25.00	ACUITE A-   Stable (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	30.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	20.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A2+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	40.00	ACUITE A2+ (Reaffirmed)



## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A1   Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE A1   Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A1   Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	65.00	Simple	ACUITE A1   Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A+   Stable   Upgraded ( from ACUITE A )
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A+   Stable   Upgraded ( from ACUITE A )
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A+   Stable   Upgraded ( from ACUITE A )
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A+   Stable   Upgraded ( from ACUITE A )
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A+   Stable   Upgraded ( from ACUITE A )
RBL Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A+   Stable   Upgraded ( from ACUITE A )
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 A+   Stable   Upgraded ( from ACUITE A )
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A1   Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	38.00	Simple	ACUITE A1   Reaffirmed
RBL Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A1   Reaffirmed
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A1   Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A1   Reaffirmed

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### About Acuité Ratings & Research

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