



**Press Release**  
**SENDOZ IMPEX LIMITED**  
**November 27, 2024**  
**Rating Assigned and Reaffirmed**

| Product                            | Quantum (Rs. Cr) | Long Term Rating                  | Short Term Rating       |
|------------------------------------|------------------|-----------------------------------|-------------------------|
| Bank Loan Ratings                  | 20.00            | ACUITE BBB+   Stable   Assigned   | -                       |
| Bank Loan Ratings                  | 56.26            | ACUITE BBB+   Stable   Reaffirmed | -                       |
| Bank Loan Ratings                  | 10.00            | -                                 | ACUITE A2+   Reaffirmed |
| Total Outstanding Quantum (Rs. Cr) | 86.26            | -                                 | -                       |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00             | -                                 | -                       |

**Rating Rationale**

Acuite has reaffirmed its long-term rating at ‘**ACUITE BBB+**’ (read as **ACUITE triple B plusa**) and the short-term rating at ‘**ACUITE A2+**’ (read as **ACUITE A two plus**) on the Rs. 66.26 Cr. bank facilities of Sendoz Impex Limited (SIL). The outlook is ‘**Stable**’.

Further, Acuite has assigned its long-term rating of ‘**ACUITE BBB+**’ (read as **ACUITE triple B pluso**) on the Rs. 20.00 Cr. bank facilities of Sendoz Impex Limited (SIL). The outlook is ‘**Stable**’.

**Rationale for rating reaffirmation**

The rating reaffirmation factors in the group’s established track record of operations of over two decades in the industry and long-standing experience of its management. However, the operating and financial performance moderated in FY2024 primarily on account of lower price realisations coupled with lower volumes. The revenue of the group declined to Rs. 754.45 Cr. in FY2024 from Rs 968.24 Cr. in FY2023. However, it has recorded revenue of ~Rs. 372.29 Cr. in H1FY25 as compared to Rs. 308.06 Cr. in H1FY24. Further, it has orders in hand of ~ Rs. 755.25 Cr. as of September 2024, which is expected to be executed by the end of FY2025, reflecting growth in scale of operations in the near term. Further, the rating considers the moderation in the financial risk profile in FY2024, which is expected to improve in the near to medium term on account of gradual repayment of existing debt obligations and no major debt funded capex plans. The rating also considers the adequate liquidity profile supported by its moderately utilized fund-based bank limits and moderate cash accruals. However, the rating remains constrained on account of intensive working capital cycle and the group’s presence in a regulated industry.

**About the Company**

Incorporated in 1994, Sendoz Impex Limited (SIL) is based in Kolkata and managed by Mr. Anurag Poddar and Mr. Siddharth Poddar. The company is primarily engaged in the trading of coal. Apart from this, SIL is also involved in coal transportation and logistics services.

**About the Group**

Incorporated in 1999 and based in Kolkata, Sendoz Commercials Private Limited (SCPL) is engaged in trading of coal apart from providing transportation, logistics and liaising work for companies with coal linkages.

**Unsupported Rating**  
Not Applicable

**Analytical Approach**

## Extent of Consolidation

- Full Consolidation

## Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the business and financial risk profiles of Sendoz Commercial Private Limited (SCPL) and Sendoz Impex Limited (SIL), together referred to as the 'Sendoz Group' (SG). The consolidation is in view of the common management, strong operational linkages between the entities and similar line of business.

## Key Rating Drivers

### Strengths

#### Established relationship with customers aided by the experienced management

The group has a long track record of operations of more than two decades and is supported by the extensive experience of the director, Mr. Laxman Poddar, who possess more than five decades of industry expertise. With the promoters' support, the group has established healthy relationships with the customers and suppliers.

Acuité believes that the group's long presence in the industry and the experience of the management will continue to support the growth plans going forward over the medium term.

#### Moderation in operating performance in FY2024 while recovery recorded in H1FY2025

In FY2024, the group's revenue decreased to Rs. 754.45 Cr, down from Rs. 968.24 Cr. in FY2023. This decline is mainly attributed to a correction in coal prices, which had been elevated in FY2023. In H1FY25, the group reported a revenue of approximately Rs. 372.29 Cr. Further, the operating margin for FY2024 stood at 6.65%, slightly lower than the 7.74% recorded in FY2023. This reduction in operating margin was due to lower coal 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 2.96% in FY2024, compared to 4.50% in FY2023, primarily due to higher finance costs during the year.

Acuité expects that the group's operations will improve in the medium term, supported by steady coal demand in the market.

#### Moderate financial risk profile

The group's financial risk profile is moderate marked by improvement in the networth base, comfortable gearing and moderate debt protection metrics. The tangible net worth of the group increased to Rs.339.43 Cr. as on March 31, 2024 from Rs.317.24 Cr. as on March 31, 2023 due to accretion of reserves. The total debt of the group stood at Rs.138.26 Cr. as on March 31, 2024 as against Rs.109.61 Cr. as on March 31, 2023. The debt profile of the group comprises of Rs. 10.77 Cr. of long-term debt, Rs. 85.99 Cr. of short-term debt, and Rs. 41.50 Cr. of unsecured loans. The gearing of the group stood low at 0.41 times as on March 31, 2024 as compared to 0.35 times as on March 31, 2023. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) of the group stood at 1.04 times as on March 31, 2024 as against 1.05 times as on March 31, 2023. Further, the debt protection metrics of the group stood moderate reflected by debt service coverage ratio of 1.64 times for FY24 as against 2.41 times for FY23. The interest coverage ratio stood at 2.48 times for FY24 as against 4.54 times for FY23. Net Cash Accruals/Total Debt (NCA/TD) stood at 0.17 times as on March 31, 2024 as compared to 0.41 times in the previous year.

Acuité believes that, going forward, the financial risk profile of the group will improve and remain moderate over the medium term in the absence of major debt funded capex plan.

### Weaknesses

#### Working capital intensive nature of operations

The working capital management of the group is intensive in nature marked by high Gross Current Assets (GCA) of 239 days in FY2024 as compared to 171 days in FY2023. The high GCA days are primarily on account of elevated inventory levels, increased debtor days and high other current assets, mainly comprising of significant advances given to suppliers, loans and advances to others and balances with statutory authorities. The inventory holding period extended to 49 days in FY2024 as compared to 27 days in FY2023. The debtor days have increased significantly to 97 days in FY2024 as against 54 days in FY2023. The majority of the customers are governmental entities. Further, the creditor days stood at 59 days in FY2024 as compared to 51 days in FY2023.

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

#### Presence in a regulated industry

Coal traded and transported by the Sendoz group find their end use by companies involved in power generation, manufacturing of cement and iron & steel. The consumers that Sendoz group caters to are under high regulation from the government. Also there are many suppliers in the coal industry catering to these end user segments. Any policy changes affecting the highly regulated coal industry or its end users will impact the financial risk profile of

Sendoz group.

Acuite believes the ability of Sendoz group to grow in such conditions and maintain its profitability will be key monitorable in the future.

### **Rating Sensitivities**

- Sustaining the growth in scale of operations and profitability margins.
- Sustenance of the capital structure.
- Elongation in the working capital cycle.

### **Liquidity Position**

#### **Adequate**

The group's liquidity position is adequate marked by generation of sufficient net cash accruals of Rs.23.32 Cr. in FY2024 as against its maturing debt obligations of Rs. 5.88 Cr. in the same tenure. In addition, it is expected to generate sufficient cash accrual in the range of Rs.34.20 – Rs.39.93 Cr. against its maturing repayment obligations in the range of Rs. 5.07- Rs.2.54 Cr. over the medium term. The cash and bank balances of the group stood at Rs. 0.62 Cr. as on March 31, 2024. The current ratio stood comfortable at 1.73 times as on March 31, 2024 as compared to 1.62 times as on March 31, 2023. Further, the working capital management of the group is intensive in nature marked by Gross Current Assets (GCA) of 239 days as on 31st March 2024, however, the reliance on working capital limits remained moderate with average utilisation of fund-based limits at ~66.75% over the past five months ending July 2024, and non-fund based limit utilisation at ~90.51% during the same period. Acuite believes that going forward the group will maintain adequate liquidity position owing to steady accruals.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

| Particulars                   | Unit    | FY 24 (Actual) | FY 23 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 754.45         | 968.24         |
| PAT                           | Rs. Cr. | 22.31          | 43.60          |
| PAT Margin                    | (%)     | 2.96           | 4.50           |
| Total Debt/Tangible Net Worth | Times   | 0.41           | 0.35           |
| PBDIT/Interest                | Times   | 2.48           | 4.54           |

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

Not applicable

### Any Other Information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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. Acuité'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   |
|-------------|------------------------------------|------------|-----------------|--|
| 20 Nov 2023 | Bank Guarantee/Letter of Guarantee | Short Term | 6.00            | ACUITE A2+ (Reaffirmed)                                  |
|             | Bank Guarantee (BLR)               | Short Term | 4.00            | ACUITE A2+ (Reaffirmed)                                  |
|             | Cash Credit                        | Long Term  | 19.00           | ACUITE BBB+   Stable (Reaffirmed)                        |
|             | Cash Credit                        | Long Term  | 16.00           | ACUITE BBB+   Stable (Reaffirmed)                        |
|             | Cash Credit                        | Long Term  | 4.00            | ACUITE BBB+   Stable (Assigned)                          |
|             | Covid Emergency Line.              | Long Term  | 1.50            | ACUITE BBB+   Stable (Reaffirmed)                        |
|             | Covid Emergency Line.              | Long Term  | 1.90            | ACUITE BBB+   Stable (Reaffirmed)                        |
|             | Covid Emergency Line.              | Long Term  | 1.14            | ACUITE BBB+   Stable (Reaffirmed)                        |
|             | Cash Credit                        | Long Term  | 10.00           | ACUITE BBB+   Stable (Reaffirmed)                        |
|             | Covid Emergency Line.              | Long Term  | 1.63            | ACUITE BBB+   Stable (Reaffirmed)                        |
|             | Term Loan                          | Long Term  | 0.93            | ACUITE BBB+   Stable (Reaffirmed)                        |
|             | Proposed Long Term Bank Facility   | Long Term  | 0.16            | ACUITE BBB+   Stable (Reaffirmed)                        |
| 09 Oct 2023 | Bank Guarantee/Letter of Guarantee | Short Term | 6.00            | ACUITE A2+ (Upgraded from ACUITE A2)                     |
|             | Bank Guarantee (BLR)               | Short Term | 4.00            | ACUITE A2+ (Upgraded from ACUITE A2)                     |
|             | Term Loan                          | Long Term  | 0.93            | ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable) |
|             | Proposed Long Term Bank Facility   | Long Term  | 0.16            | ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable) |
|             | Cash Credit                        | Long Term  | 19.00           | ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable) |
|             | Cash Credit                        | Long Term  | 16.00           | ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable) |
|             | Covid Emergency Line.              | Long Term  | 1.50            | ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable) |
|             | Covid Emergency Line.              | Long Term  | 1.90            | ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable) |
|             | Covid Emergency Line.              | Long Term  | 1.14            | ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable) |
|             | Cash Credit                        | Long Term  | 10.00           | ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable) |
|             | Covid Emergency Line.              | Long Term  | 1.63            | ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable) |
|             |                                    |            |                 |  |
| 02 Aug 2022 | Bank Guarantee (BLR)               | Short Term | 4.00            | ACUITE A2 (Assigned)                                     |
|             | Bank Guarantee/Letter of Guarantee | Short Term | 6.00            | ACUITE A2 (Reaffirmed)                                   |
|             | Cash Credit                        | Long Term  | 10.00           | ACUITE BBB   Stable (Assigned)                           |
|             | Term Loan                          | Long Term  | 2.94            | ACUITE BBB   Stable (Assigned)                           |
|             | Covid Emergency Line.              | Long Term  | 2.80            | ACUITE BBB   Stable (Assigned)                           |
|             | Covid Emergency Line.              | Long Term  | 5.07            | ACUITE BBB   Stable (Assigned)                           |
|             |                                    |            |                 |  |

|             |                                    |            |       |   |
|-------------|------------------------------------|------------|-------|---|
|             | Covid Emergency Line.              | Long Term  | 1.78  | ACUITE BBB   Stable (Assigned)                                    |
|             | Proposed Long Term Bank Facility   | Long Term  | 0.67  | ACUITE BBB   Stable (Assigned)                                    |
|             | Cash Credit                        | Long Term  | 19.00 | ACUITE BBB   Stable (Reaffirmed)                                  |
|             | Cash Credit                        | Long Term  | 10.00 | ACUITE BBB   Stable (Reaffirmed)                                  |
| 08 Jul 2022 | Cash Credit                        | Long Term  | 35.00 | ACUITE BBB   Stable (Reaffirmed)                                  |
| 30 Jun 2022 | Cash Credit                        | Long Term  | 35.00 | ACUITE BBB   Stable (Upgraded from ACUITE BB)                     |
| 28 Jul 2021 | Bank Guarantee (BLR)               | Short Term | 6.00  | ACUITE A4+ (Reaffirmed & Issuer not co-operating*)                |
|             | Working Capital Demand Loan (WCDL) | Long Term  | 10.00 | ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+) |
|             | Cash Credit                        | Long Term  | 19.00 | ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+) |

## Annexure - Details of instruments rated

| Lender's Name       | ISIN                 | Facilities                         | Date Of Issuance     | Coupon Rate          | Maturity Date        | Quantum (Rs. Cr.) | Complexity Level | Rating                            |
|---------------------|----------------------|------------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|-----------------------------------|
| ICICI Bank Ltd      | Not avl. / Not appl. | Bank Guarantee (BLR)               | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 4.00              | Simple           | ACUITE A2+   Reaffirmed           |
| 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. | 6.00              | Simple           | ACUITE A2+   Reaffirmed           |
| State Bank of India | Not avl. / Not appl. | Cash Credit                        | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 19.00             | Simple           | ACUITE BBB+   Stable   Reaffirmed |
| ICICI Bank Ltd      | Not avl. / Not appl. | Cash Credit                        | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 20.00             | Simple           | ACUITE BBB+   Stable   Reaffirmed |
| Yes Bank Ltd        | Not avl. / Not appl. | Cash Credit                        | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 20.00             | Simple           | ACUITE BBB+   Stable   Assigned   |
| ICICI Bank Ltd      | Not avl. / Not appl. | Covid Emergency Line.              | Not avl. / Not appl. | Not avl. / Not appl. | 01 Aug 2026          | 0.69              | Simple           | ACUITE BBB+   Stable   Reaffirmed |
| State Bank of India | Not avl. / Not appl. | Covid Emergency Line.              | 01 Dec 2021          | Not avl. / Not appl. | 01 Nov 2024          | 0.49              | Simple           | ACUITE BBB+   Stable   Reaffirmed |
| State Bank of India | Not avl. / Not appl. | Covid Emergency Line.              | 01 Dec 2023          | Not avl. / Not appl. | 01 Nov 2026          | 1.65              | Simple           | ACUITE BBB+   Stable   Reaffirmed |
| Not Applicable      | Not avl. / Not appl. | Proposed Long Term Bank Facility   | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 14.43             | Simple           | ACUITE BBB+   Stable   Reaffirmed |

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

| Sr.No | Company Name                       |
|-------|------------------------------------|
| 1     | Sendoz Impex Limited               |
| 2     | Sendoz Commercials Private Limited |



## Contacts

|   |   |
|---|---|
| Mohit Jain<br>Senior Vice President-Rating Operations | <b>Contact details exclusively for investors and lenders</b>  |
| Kirti Berlia<br>Associate Analyst-Rating Operations   | Mob: +91 8591310146<br>Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a> |

### About Acuité Ratings & Research

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