

February 08, 2016

Facility	Amount (Rs. Crore)	Rating
Packing Credit	10.00	SMERA A4+ (Reaffirmed)

SMERA has reaffirmed the rating of '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.10.00 crore bank facilities of S. P. International (SPI). The ratings continue to draw comfort from promoter's extensive experience in the leather industry and comfortable financial risk profile. The rating also notes the location advantage of the firm's manufacturing unit to raw material sourcing units. However, the ratings are constrained by firm's moderate-scale operations in an intensely competitive segment of the leather goods industry. The rating notes that the firm's profit margins are susceptible to volatility in raw material prices and fluctuations in foreign exchange rates.

Update

SPI registered net profit of Rs.1.85 crore on operating income of Rs.68.42 crore in FY2014-15, as compared with net profit of Rs.1.77 crore on operating income of Rs.63.45 crore in FY2013-14. The company registered net sales of Rs.42.51 crore (provisional) for the period April 2015 to December 2015.

SPI's tangible net worth stood at Rs.11.70 crore as on March 31, 2015, as compared with Rs.10.61 crore a year earlier. The company's leverage (debt-equity ratio) has remained comfortable at 1.21 times as on March 31, 2015 as compared to 1.27 times in the previous year.

SPI's interest coverage ratio is comfortable at 3.94 times in FY2014-15 as against 2.46 times in FY2013-14. The company's return on capital employed stood at 11.28 per cent in FY2014-15 as against 11.72 per cent in the previous year. SMERA believes SPI's debt coverage indicators are likely to remain comfortable over the medium term.

About the Company

SPI, established in 1998, is a Kolkata-based proprietorship firm promoted by Mr. Promod Mahapatra. SPI undertakes manufacturing and export of leather products such as wallets, purses, card holders and handbags. The firm is a 'Star Export House' recognized by the Government of India. SPI has a manufacturing unit in Kolkata. It exports its products mainly to countries like Germany, U.K., Switzerland, Australia and Portugal.

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SMERA RATINGS LIMITED

S. P. International (SPI)**Rating
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