

Press Release

Yeoman Marine Services Private Limited

July 30, 2021



Rating Withdrawn

Total Bank Facilities Rated*	Rs. 2.00 Cr.
Long Term Rating	ACUITE BB+ (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long term rating of '**ACUITE BB+**' (**read as ACUITE double B plus**) on the Rs. 2.00 crore bank facilities of Yeoman Marine Services Private Limited. The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

About the company

Mumbai based Yeoman Marine Services (YMS) was established in the year 1999 as a proprietorship concern by Mr. Dhananjay Mishra. Yeoman Marine Services Private Limited (YMSPL) was incorporated in 2015 to take over the running business of YMS. The business takeover happened with effect from 31 October 2015. The company is engaged in ship and submarine repairing. YMSPL also has tie-ups with international companies for the sale and after sales services of their products.

Analytical Approach

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

Key Rating Drivers

Strengths

- **Experienced management**

Mr. Dhananjay Mishra (Director) has more than two decades of experience in the marine industry and has been able to build healthy relationships with customers and suppliers. Acuité believes that YMSPL will continue to benefit from its established position in the market and experienced management.

Weaknesses

- **Modest scale of operations**

The operations of the company are moderate despite the company being in the line of business for more than two decades. The revenue stood at Rs. 35.66 crore for FY2021(Prov.) as compared to Rs.35.36 crore for FY2020

- **Working capital intensive nature of operations**

Intensive working capital requirements as evident from gross current assets (GCA) of 269 days for FY2021(Prov.) from 248 days for FY2020. The deterioration is majorly on account of change in inventory days of 86 days as on 31 March 2021(Prov.) as against 75 days in the previous year. Further, debtors' days stood at 94 days as on 31 March 2020 as against 65 days in previous year. Current Ratio stood at 2.61 times as on 31 March 2021(Prov.).

Rating Sensitivities

Not Applicable

Material Covenants

None

Liquidity position: Adequate

The company has adequate liquidity marked by moderate net cash accruals to its maturing debt obligations. The company generated cash accruals of Rs. 5.32 crore for FY2021(Prov.). The company has unencumbered cash and bank balances of only Rs. 7.84 crore as on 31st March 2020. Current ratio stood at 2.61 times as on 31st March 2021(Prov.). Acuité believes that the liquidity of the company is likely to remain moderate

over the medium term on account of moderate cash accrual against no major debt repayments over the medium term

Outlook: Not Applicable

About the Rated Entity - Key Financials

	Unit	FY21 (Prov.)	FY20 (Actual)
Operating Income	Rs. Cr.	35.66	35.36
PAT	Rs. Cr.	4.97	2.79
PAT Margin	(%)	13.92	7.90
Total Debt/Tangible Net Worth	Times	0.13	0.13
PBDIT/Interest	Times	16.63	4.79

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
03-May-2021	Cash Credit	Long term	15.00	ACUITE BB+ (Downgraded & Withdrawn; Issuer not-cooperating*)
	Secured Overdraft	Long term	1.00	ACUITE BB+ (Downgraded; Issuer not-cooperating*)
	Term Loan	Long term	1.00	ACUITE BB+ (Downgraded; Issuer not-cooperating*)
	Bank Guarantee	Short term	10.00	ACUITE A4+ (Downgraded & Withdrawn; Issuer not-cooperating*)
05-Feb-2020	Cash Credit	Long term	15.00	ACUITE BBB- / Negative (Reaffirmed)
	Secured Overdraft	Long term	1.00	ACUITE BBB- / Negative (Reaffirmed)
	Term Loan	Long term	1.00	ACUITE BBB- / Negative (Reaffirmed)
	Bank Guarantee	Short term	10.00	ACUITE A3 (Reaffirmed)

26-Dec-2019	Cash Credit	Long term	15.00	ACUITE BBB- (Issuer not-cooperating*)
	Secured Overdraft	Long term	1.00	ACUITE BBB- (Issuer not-cooperating*)
	Term Loan	Long term	1.00	ACUITE BBB- (Issuer not-cooperating*)
	Bank Guarantee	Short term	10.00	ACUITE A3 (Issuer not-cooperating*)
08-Oct-2018	Cash Credit	Long term	15.00	ACUITE BBB-/Stable (Upgraded)
	Secured Overdraft	Long term	1.00	ACUITE BBB-/Stable (Upgraded)
	Term Loan	Long term	1.00	ACUITE BBB-/Stable (Upgraded)
	Bank Guarantee	Short term	10.00	ACUITE A3 (Upgraded)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Overdraft	Not Available	Not Available	Not Available	1.00	ACUITE BB+ (Withdrawn)
Term Loan	Not Available	Not Available	Not Available	1.00	ACUITE BB+ (Withdrawn)

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About Acuité Ratings & Research:

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