

Press Release

Sahyog Exports Private Limited

April 26, 2021



Rating withdrawn

Total Bank Facilities Rated	Rs.12.00 crore
Short Term Rating	ACUITE A4 (Withdrawn)

Rating Rationale

Acuité has withdrawn the short term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs.12.00 crore bank facilities of Sahyog Exports Private Limited (SEPL).

The withdrawal is on account of client's request and receipt of NOC from the banker. The withdrawal is in accordance with Acuité's policy on withdrawal.

Sahyog Exports Private Limited (SEPL) was initially started as Sahyog Exports, partnership firm in the year 1990 by Mr. Samir Doshi and Mr. Manish Doshi. The firm was later converted into private limited in the year 2006. The company is promoted by Mr. Samir Doshi, Mr. Manish Doshi and Mr. Harshad Doshi. The company is engaged in manufacturing and exporting of leather footwear, including infant footwear, children footwear, teen footwear, ladies footwear and accessories. The company is also engaged in trading of EXIM licenses which contributes around 36 percent to its revenue. The company exports its product to United State of America and countries in Europe. SEPL has two manufacturing unit located at Vasai and Palghar with total capacity of 75,000 pairs per month with an average price of the shoe is around Rs. 600~650 per pair.

Analytical Approach

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

Key Rating Drivers

Strengths

- **Established presence in industry**

Sahyog Exports Private Limited (SEPL) is engaged in the manufacturing and export of leather footwear. SEPL took over the existing business of Sahyog Exports, a partnership firm established in 1990. SEPL supplies its products to international retailers including Gioseppo S.L.U, Chaussea Sas, Oca-Loca Kids Shoe SL, Andrec-Cec, BAV Shoes Spa etc., located in Spain, Italy and France. The management includes Mr. Harshad Doshi, who possesses around five decades of experience in the footwear industry and is incharge of the production department. Further, the directors Mr. Samir Doshi, Mr. Manish Doshi and Mr. Harshad Doshi possess more than two decades of experience in the said line of business.

Weaknesses

- **Working capital intensive operations**

The company's working capital operations are intensive marked by Gross Current Asset days of 243 days in FY2020 as against 219 days in FY2019. This is majorly on account of increase in debtor period to 155 days in FY2020. The inventory days stood at 36 days in FY2020 against 44 days in FY2019.

Rating Sensitivity

Not applicable

Material Covenants

None

Liquidity Profile: Adequate

The company's liquidity is adequate marked by net cash accruals of Rs.0.92 crore in FY2020 against no repayment obligation over the same period. The current ratio stood at 1.25 times as on March 31, 2020 as against 1.23 times as on March 31, 2019. The company maintains unencumbered cash and bank balances of Rs.1.18 crores as on March 31, 2020.

About the Rated Entity - Key Financials

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	36.31	43.32
PAT	Rs. Cr.	0.58	1.28
PAT Margin	(%)	1.59	2.97
Total Debt/Tangible Net Worth	Times	(26.48)	2.88
PBDIT/Interest	Times	2.69	4.44

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

Not Applicable

Any other information

Not Applicable

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
26-Feb-2020	Packing Credit	Short Term	7.00	ACUITE A4 *Issuer not cooperating
	Proposed packing credit	Short Term	5.00	ACUITE A4 *Issuer not cooperating
20-Dec-2018	Packing Credit	Short Term	7.00	ACUITE A4 *Issuer not cooperating
	Proposed packing credit	Short Term	5.00	ACUITE A4 *Issuer not cooperating
30-Oct-2017	Packing Credit	Short Term	7.00	ACUITE A4 (Assigned)
	Proposed packing credit	Short Term	5.00	ACUITE A4 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.) Crore	Ratings/Outlook
Packing Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4 (Withdrawn)
Proposed packing credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4 (Withdrawn)

Contacts

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About Acuité Ratings & Research:

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