

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Rating withdrawn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| Short Term Rating | ACUITE A4 (Withdrawn) |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

Acuite has withdrawn the short term rating of '**ACUITE A4' (read as ACUITE A four)** on the Rs.12.00 crore bank facilities of Sahyog Exports Private Limited (SEPL).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

Acuite 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

| Analytical | Rating Desk |
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| <p>Pooja Ghosh Head - Corporate and Infrastructure Sector Ratings Tel: 033-66201203 pooja.ghosh@acuite.in</p> <p>Shubham Ghosh Analyst - Rating Operations Tel: 033-66201212 shubham.ghosh@acuite.in</p> | <p>Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in</p> |

About Acuité Ratings & Research:

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