



Press Release
SUPERHOUSE LIMITED
April 30, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	169.00	ACUITE A- Negative Reaffirmed Stable to Negative	-
Bank Loan Ratings	50.00	-	ACUITE A2+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	219.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of 'ACUITE A-' (read as ACUITE A minus) and short term rating of 'ACUITE A2+' (read as ACUITE A two plus) on the Rs.219.00 crore bank facilities of Superhouse Limited. The outlook is revised from 'Stable' to 'Negative'.

Rationale for Rating

The revision in outlook reflects the weakening of the business risk profile of the group as reflected by decline in revenue which stood at Rs.665.85 Cr. in FY2024 as against Rs.768.13 Cr. in FY2023. The group has registered a revenue of Rs.488.95 Cr. in 9MFY25 as against Rs.500.13 Cr. in 9MFY24. The EBITDA margin of the group decreased and stood at 5.67 per cent in FY2024 and 7.68 per cent in FY2023. The margin stood at 4.78 per cent in 9MFY25 as against 5.66 per cent in 9MFY24. The decrease is on an account of lower cost absorption of fixed costs. The PAT margin stood at 1.76 per cent in FY2024 and 3.64 per cent in FY2023 due to high depreciation and finance costs. Further, the PAT margin stood at 1.78 per cent in 9MFY25 as against 1.73 per cent in 9MFY24. The revenue and profitability of the group is majorly impacted due to slow down in export demand owing to recessionary pressure in the key geographies like US, UK and Europe. The rating further remains constrained by intensive working capital operations of the group marked by Gross Current Assets (GCA) of 256 days as on 31st March 2024 as compared to 232 days as on 31st March 2023 and intense competition in the industry. However, the rating draws comfort from extensive experience of promoters spanning over four decades in leather industry, long track record of operations, group's strong distribution network and reputed as well as diversified customer base across various industries. The rating also factors the healthy financial risk profile of group marked healthy networth which stood at Rs.461.45 Cr., gearing below unity and comfortable debt protection metrics reflected by interest coverage ratio (ICR) and debt service coverage ratio (DSCR) of 3.16 times and 1.42 times respectively as on March 31, 2024. In addition, the liquidity position of the group is adequate marked by steady net cash accruals against its long-term debt obligations and sufficient cash and bank balance. Acuite notes that going forward, ability of the group to sustain its revenue and profitability margins while scaling up of operations along with managing its working capital operations will remain key rating sensitivity.

About the Company

Uttar Pradesh based, Superhouse Limited is recognized as one of the leading manufacturers and exporters of finished leather. The company also deals in leather footwear and accessories, textile garments, other leather products, etc. The company was originally incorporated in 1980 as a private limited company in the name of Aminsons Leather Finishers Private Limited and was later converted to a public limited company and subsequently

its name was changed to Aminsons Limited in 1989. Post the merger of other group companies its name was changed to Superhouse Leather Limited and then to Superhouse Limited in 2006. The Directors of the company are Mrs. Shahina Mukhtar, Mr. Mohammad Shadab, Mr. Vinay Sanan, Mr. Mukhtarul Amin, Mr. Zafarul Amin, Mr. Yusuf Amin, Mr. Ajai Kumar Sengar, Mr. Rajendra Krishna Shukla, Mr. Chaudhary Usman Ahmad and Mr. Krishna Kumar Ram Tiwari.

About the Group

Superhouse Group is a multi-unit and multi-product conglomerate in the field of footwear, leather and textile

garments manufacturing and exports. Superhouse group is engaged in manufacturing and supplying of leather, leather goods and textile garments across the world. The group's manufacturing unit, i.e. SL is ably backed by marketing offices and distribution channels routed through various offshore companies. Most of such companies are its wholly owned subsidiaries, i.e. Superhouse (U.K.) Limited, Superhouse (USA) International Inc., Superhouse Middle East FZC, Briggs Industrial Footwear Limited, Linea De Seguridad SLU, LA Compagine Francaise D Protectio SARL, Creemos International Limited and Rojus Enterprises Limited. All these companies collectively, hereinafter referred to as Superhouse Group.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated view of business and financial risk profiles of Superhouse Limited along with its wholly owned subsidiaries/ subsidiaries (refer annexure 2) owing to presence in similar line of business, common promoters and operating as well as financial linkages between the entities to arrive at this rating.

Key Rating Drivers

Strengths

Experienced promoters & established market position in export market for leather goods

The operations of Superhouse group are led by Mr. Mukhtarul Amin along with his family, who possess more than four decades of experience in the leather industry. The top management is ably supported by well experienced technical team. The extensive experience of the promoters has helped the company in establishing healthy relationship with its customers and suppliers. Acuité believes that Superhouse Group will continue to benefit owing to the extensive experience of the promoters and established brand name in the leather industry.

Diversified product portfolio coupled with reputed clientele

Superhouse group has a diversified product portfolio which includes finished leather, shoe uppers, finished footwear, textile garments, horse riding equipment and other leather products. The group also manufactures safety and fashion footwear. The group has an established market position in the export leather industry. The group is catering to reputed clientele such as Uvex Heckel S.A.S, Pt Alasmas Berkat Utama, High Tech Shoes Pvt Ltd among others. In addition to this, the group is approved by vendors for global brands such as WalMart, GAP, DKNY, IWA and many more.

Healthy financial risk profile

The group's financial risk profile is marked by healthy network, gearing below unity and comfortable debt protection metrics. The tangible net worth of the group increased to Rs.461.45 Cr. as on March 31, 2024 from Rs.445.28 Cr. as on March 31, 2023 due to accretion of profits into reserves and incremental non-controlling interest. The total debt of the group stood at Rs.203.65 Cr. as on March 31, 2024 as against Rs.191.57 Cr. as on March 31, 2023. The capital structure of the group is marked by gearing which stood at 0.44 times as on March 31, 2024 as against 0.43 times as on March 31, 2023. The debt protection metrics are marked by interest coverage ratio (ICR) and debt service coverage ratio (DSCR) of 3.16 times and 1.42 times respectively as on March 31, 2024 as against 4.74 times and 1.68 times respectively as on March 31, 2023. Debt-EBITDA stood at 4.16 times in as on March 31, 2024 as against 2.85 times in as on March 31, 2023. Further, the net cash accruals to total debt (NCA/TD) stood at 0.15 times in FY2024 as against 0.23 times in FY2023 and Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 0.77 times as on March 31, 2024 as against 0.85 times as on March 31, 2023. Going forward, the financial risk profile of the group is expected to remain in similar range with no further debt funded capex plans in near to medium term.

Weaknesses

Decline in Revenue and Profitability

The revenue of the group decreased and stood at Rs.665.85 Cr. in FY2024 as against Rs.768.13 Cr. in FY2023. Further, the group has registered a revenue of Rs.488.95 Cr. in 9MFY25 as against Rs.500.13 Cr. in 9MFY24. This decrease is on an account of recessionary trends in major export markets like US, UK and Europe. Several other factors have also contributed to this downturn like the lingering effects of the Covid-19 pandemic, coupled with geopolitical tensions and fluctuating energy prices that led to reduced consumer spending. The majority revenue base for the group is export-oriented therefore any drop in overseas demand directly impacts the overall revenue of the group. Retailers and wholesalers have been conservative with their orders, leading to a noticeable decline in export volumes for the group during the year. Additionally, supply chain disruptions and increased

logistic costs have added to the complexity, making it challenging to maintain competitive pricing while ensuring timely deliveries. Moreover, the EBITDA margin of the group decreased and stood at 4.78 per cent in 9MFY25 as against 5.66 per cent in 9MFY24. The margin stood at 5.67 per cent in FY2024 and 7.68 per cent in FY2023 on an account of lower cost absorption of fixed costs. The PAT margin stood at 1.76 per cent in FY2024 and 3.64 per cent in FY2023 due to high depreciation and finance costs. Further, the PAT margin stood at 1.78 per cent in 9MFY25 as against 1.73 per cent in 9MFY24. Acuite believes that going forward, the ability of the group to sustain its revenue and profitability margins while scaling up of operations will remain key rating sensitivity factor.

Intensive working capital operations

The working capital operations of the group are intensive marked by Gross Current Assets (GCA) of 256 days as on 31st March 2024 as compared to 232 days as on 31st March 2023. The high GCA days are on an account of high inventory and receivable days. The inventory day stood at 141 days as on 31st March 2024 as compared to 134 days as on 31st March 2023 and the debtor days of the group stood at 93 days as on 31st March 2024 as against 90 days as on 31st March 2023. Against this, the group has creditors, which stood at 83 days as on March 31, 2024 as against 93 days as on March 31, 2023. The overall working capital requirement stood utilised at an average of 95.50% for fund based limits and at an average of 53.78% for non-fund based limits over last five months ended February, 2025. Acuite expects that the working capital operations of the group will remain in similar range in near to medium term.

Competition from organized and unorganized players & Foreign Currency fluctuation risk

The group is engaged in leather industry which is a highly competitive and fragmented industry marked by the presence of a large number of small-to-medium sized players which exposes Superhouse group to pricing pressure. Since majority of the group's revenue is generated from export sales, this exposes the group to foreign currency fluctuation risk. However to mitigate this the group hedges its export orders and the financial team in the group monitors the currency rates.

Rating Sensitivities

- Sustaining scale of operations and profitability
- Working capital Operations
- Movement in Financial Risk profile

Liquidity Position

Adequate

The group has adequate liquidity marked by net cash accruals of Rs.29.86 Cr. as on March 31, 2024 as against Rs.16.45 Cr. of debt obligations over the same period. Going forward, the group is expected to generate net cash accruals under the range of Rs.32.00 Cr. to Rs.34.50 Cr. against debt obligations of upto Rs.9.30 Cr. over the same period. The overall working capital requirement stood utilised at an average of 95.50% for fund based limits and at an average of 53.78% for non-fund based limits over last five months ended February, 2025. The current ratio of the group stood comfortable at 1.47 times as on March 31, 2024. The cash and bank balance stood at Rs.18.07 Cr. as on March 31, 2024. Acuite believes that the liquidity of the group is expected to remain adequate over the medium term on account of comfortable cash accruals against long debt repayments over the medium term.

Outlook: Negative

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	665.85	768.13
PAT	Rs. Cr.	11.73	27.92
PAT Margin	(%)	1.76	3.64
Total Debt/Tangible Net Worth	Times	0.44	0.43
PBDIT/Interest	Times	3.16	4.74

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

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>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Feb 2024	Cash Credit	Long Term	18.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE A- Stable (Reaffirmed)
	FBN/FBP/FBD/PSFC/FBE	Long Term	50.00	ACUITE A- Stable (Reaffirmed)
	PC/PCFC	Long Term	83.00	ACUITE A- Stable (Reaffirmed)
	Stand By Gold Card	Long Term	8.00	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	33.00	ACUITE A2+ (Reaffirmed)
	Derivative Exposure	Short Term	7.00	ACUITE A2+ (Reaffirmed)
18 Jan 2024	Cash Credit	Long Term	18.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE A- Stable (Reaffirmed)
	FBN/FBP/FBD/PSFC/FBE	Long Term	50.00	ACUITE A- Stable (Reaffirmed)
	PC/PCFC	Long Term	83.00	ACUITE A- Stable (Reaffirmed)
	Stand By Gold Card	Long Term	8.00	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	33.00	ACUITE A2+ (Reaffirmed)
	Derivative Exposure	Short Term	7.00	ACUITE A2+ (Assigned)
07 Sep 2023	Cash Credit	Long Term	18.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE A- Stable (Reaffirmed)
	FBN/FBP/FBD/PSFC/FBE	Long Term	50.00	ACUITE A- Stable (Reaffirmed)
	PC/PCFC	Long Term	83.00	ACUITE A- Stable (Reaffirmed)
	Stand By Gold Card	Long Term	8.00	ACUITE A- Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	33.00	ACUITE A2+ (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE Not Applicable (Withdrawn)
	Packing Credit	Long Term	28.00	ACUITE Not Applicable (Withdrawn)
	Proposed Long Term Bank Facility	Long Term	4.00	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	4.00	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.82	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	10.99	ACUITE A- Stable (Reaffirmed)

24 Jun 2022	Term Loan	Long Term	5.34	ACUITE A- Stable (Reaffirmed)
	FBN/FBP/FBD/PSFC/FBE	Long Term	20.00	ACUITE A- Stable (Reaffirmed)
	PC/PCFC	Long Term	28.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	7.35	ACUITE A- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	4.80	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	3.20	ACUITE A- Stable (Reaffirmed)
	FBN/FBP/FBD/PSFC/FBE	Long Term	30.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	10.50	ACUITE A- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	8.50	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	1.50	ACUITE A- Stable (Reaffirmed)
	PC/PCFC	Long Term	35.00	ACUITE A- Stable (Reaffirmed)
	PC/PCFC	Long Term	20.00	ACUITE A- Stable (Reaffirmed)
	Letter of Credit	Short Term	7.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	4.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	16.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A2+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	4.50	ACUITE A2+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	2.50	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	6.00	ACUITE A2+ (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A2+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE A- Negative Reaffirmed Stable to Negative
Punjab National Bank	Not avl. / Not appl.	Derivative Exposure	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE A2+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	FBN/FBP/FBD/PSFC/FBE	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	42.00	Simple	ACUITE A- Negative Reaffirmed Stable to Negative
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	33.00	Simple	ACUITE A2+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	83.00	Simple	ACUITE A- Negative Reaffirmed Stable to Negative
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.07	Simple	ACUITE A- Negative Reaffirmed Stable to Negative
Punjab National Bank	Not avl. / Not appl.	Stand By Gold Card	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE A- Negative Reaffirmed Stable to Negative
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Aug 2028	8.93	Simple	ACUITE A- Negative Reaffirmed Stable to Negative

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

Sr. No.	Company name
1	Superhouse (U.K.) Limited
2	Superhouse (USA) International Inc.
3	Superhouse Middle East FZC
4	Briggs Industrial Footwear Limited
5	Linea De Seguridad SLU Spain
6	Rojus Enterprises Limited
7	LA Compagine Francaise SARL Headquarter

8	Creemos International Limited
9	Superhouse Limited

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About Acuité Ratings & Research

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