June 25, 2020

Sayaji Industries Limited: Rating Withdrawn

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fixed Deposits	20.00	20.00	MB+ (Stable) ISSUER NOT COOPERATING; Withdrawn
Total	**20.00**	**20.00**	

Rationale

The ratings are withdrawn in accordance with ICRA's policy on withdrawal and suspension and completion of the period of notice of withdrawal, as the company had requested for the withdrawal of the rating. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating.

Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

Liquidity position

Not captured as the rating is being withdrawn.

Rating sensitivities

Not captured as the rating is being withdrawn.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Standalone

About the company:

Incorporated in 1941, SIL is promoted by the Mehta family and is involved in manufacturing starch, its downstream derivatives viz. liquid glucose, dextrose monohydrate, anhydrous dextrose, sorbitol and by-products like gluten, maize oil, etc. These products are used in textile, processed foods, pharmaceuticals, chemical, paper and other industries. The manufacturing facility is located at Kathwada, Ahmedabad and is ISO 9001:2008 certified. Equity shares of SIL got listed on BSE Ltd. in October 2017.

SIL had three subsidiaries Sayaji Ingritech LLP (holding 76%), Sayaji Seeds LLP (holding 90%) and Sayaji Corn Products Limited (holding 100%) as on March 31, 2018. SIL also had a joint venture, Sayaji Sethness Limited, with Sethness Products Company, USA, as a forward integration. The entity manufactures liquid caramel colour by using liquid glucose.

In July 2018, SIL and its promoters divested stake for USD 3.2 million. Further, SIL has associated concerns namely Sayaji Samruddhi LLP and N.B. Commercial Enterprises Limited, which are involved in real estate and plastic barrels manufacturing, respectively.

Status of non-cooperation with previous CRA: Not applicable

Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	579.5	621.2
PAT (Rs. crore)	5.4	24.9
OPBDITA/ OI (%)	4.42%	4.47%
RoCE (%)	12.3%	22.2%
Total Outside Liabilities/Tangible Net Worth (times)	3.27	2.82
Total Debt/OPBDITA (times)	4.42	4.88
Interest Coverage	2.17	2.42
DSCR (excl. STD/prepayments)	1.12	2.00

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years					
		Type	Amount Rated	Amount Outstanding	Current Rating	FY2020				FY2019	FY2018
					25-Jun-2020	17-Feb-2010	17-Dec-2019	28-Nov-2019	19-Aug-2019	31-Oct-2018	20-Jul-2017
1	Fixed Deposits	Long Term	20.00	19.25^	MB+ (Stable) ISSUER NOT COOPERATING; Withdrawn	MB+ (Stable) ISSUER NOT COOPERATING; Put on Notice of withdrawal for 6 months	MB+; (Stable) put on notice of withdrawal for six months	MB+; (Stable)	MA- (Negative)	MA- (Stable)	MA- (Stable)

^ as on March 31, 2019

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fixed Deposits	NA	NA	NA	20.00	MB+ (Stable) ISSUER NOT COOPERATING; Withdrawn

Source: Sayaji Industries Limited (SIL)

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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