

Press Release

Induro Lifestyle Resources Private Limited

July 01, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 23.87 Cr. #
Long Term Rating	ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable)
Short Term Rating	ACUITE A4 Issuer not co-operating* (Downgraded from ACUITE A4+)

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B+** (read as ACUITE B plus) from '**ACUITE BB-/Stable**' and short-term rating '**ACUITE A4**' (read as ACUITE A four) from '**ACUITE A4+**' on the Rs.23.87 crore bank facilities of Induro Lifestyle Resources Private Limited (ILPL). This rating is now an indicative rating and is downgraded on account of information risk.

ILPL was incorporated in 2008 by Mr. Kishan Kumar. At present, the company is managed by Mr. Kishan Kumar and Mrs. Panna Kishen Jain. The company is engaged in manufacturing of denim and non-denim bottoms for men, women and kids. The company has two manufacturing units and a washing unit in Bangalore. The unit I has size of around 40,000 sq. Ft. and unit II of 4,000 sq. ft. The installed production capacity of the ILPL is around 15,00,000 units per annum, whereas it is utilised at about 82 per cent in FY2019. The Company's products are sold under the brand names of Lee, Wrangler, US Polo, Flying Machine, Ed Hardy, Cherokee, Vee Dot, and Louis Phillippe.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Sector Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests

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

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
22-Apr-2019	Cash Credit	Long Term	14.65	ACUITE BB- /Stable (Reaffirmed)
	EDFS	Long Term	2.00	ACUITE BB- /Stable (Reaffirmed)
	Term Loan I	Long Term	0.06	ACUITE BB- /Stable (Reaffirmed)
	Term Loan II	Long Term	0.11	ACUITE BB- /Stable (Reaffirmed)
	Term Loan III	Long Term	2.30	ACUITE BB- /Stable (Reaffirmed)
	Bill Discounting	Short Term	2.00	ACUITE A4+ (Reaffirmed)
	Line of Credit	Short Term	1.75	ACUITE A4+ (Reaffirmed)
	Proposed Bank Facilities	Long Term	1.00	ACUITE BB-/Stable (Assigned)
24-Jan-2019	Cash Credit	Long Term	12.65	ACUITE BB- Issuer not co- operating*
	Term Loan I	Long Term	0.57	ACUITE BB- Issuer not co- operating*
	Term Loan II	Long Term	0.11	ACUITE BB- Issuer not co- operating*
	Term Loan III	Long Term	2.72	ACUITE BB- Issuer not co- operating*
	Bill Discounting	Short Term	3.00	ACUITE A4+ Issuer not co- operating*
27-Nov-2018	Cash Credit	Long Term	12.65	ACUITE BB-/Stable (Reaffirmed)
	Term Loan I	Long Term	0.57	ACUITE BB-/Stable (Reaffirmed)
	Term Loan II	Long Term	0.11	ACUITE BB-/Stable (Reaffirmed)
	Term Loan III	Long Term	2.72	ACUITE BB-/Stable (Assigned)
	Standby Line of Credit	Short Term	1.65	ACUITE A4+ (Withdrawn)
	Bill Discounting	Short Term	3.00	ACUITE A4+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	14.65	ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable)
EDFS	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable)
Term Loan I	Not Available	Not Applicable	Not Available	0.06	ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable)
Term Loan II	Not Available	Not Applicable	Not Available	0.11	ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable)
Term Loan III	Not Available	Not Applicable	Not Available	2.30	ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable)
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4 Issuer not co-operating* (Downgraded from ACUITE A4+)
Line of Credit	Not Applicable	Not Applicable	Not Applicable	1.75	ACUITE A4 Issuer not co-operating* (Downgraded from ACUITE A4+)
Proposed Bank Facilities	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable)

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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