

Press Release

Indcoat Shoe Components Limited

September 26, 2017



Rating Update

Total Bank Facilities Rated*	Rs. 17.00 Cr. #
Long Term Rating	SMERA BB+ Issuer not co-operating*
Short Term Rating	SMERA A4+ Issuer not co-operating*

Refer Annexure for details

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

SMERA has reviewed long-term rating of '**SMERA BB+**' (**read as SMERA BB plus**) and short-term rating of '**SMERA A4+**' (**read as 'SMERA A four plus'**) on the Rs. 17.00 crore bank facilities of Indcoat Shoe Components Limited. This is an indicative rating.

Non-cooperation by the issuer/borrower

SMERA 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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition - <https://www.smerra.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smerra.in/criteria-manufacturing.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). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the rated entity

Indcoat Shoes Component Limited (ISCL), part of the Indcoat Group, was established in 2000. The company, managed by Mr Khemka and family, is engaged in the production of polyurethane (PU) and thermo plastic rubber (TPR) soles, used in shoe manufacturing. The company has four manufacturing facilities at Kanpur with an annual capacity of 6 lakh pairs of shoes. The average utilisation varies between 65-70 per cent.

For FY2014-15, the company reported profit after tax (PAT) of Rs.1.59 crore on operating income of Rs.42.72 crore, as compared with profit after tax (PAT) of Rs.1.99 crore on operating income of Rs.45.54 crore in FY2013-14. ISCL has reported operating income of Rs.22.17 crore (provisional) for nine months ended December 2015. The net worth of the company stood at Rs.17.11 crore as on March 31, 2015 against Rs.15.42 crore a year earlier.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
27-Apr-2016	Cash Credit	Long Term	INR 6	SMERA BB+ / Stable
	Term Loan	Long Term	INR 4.33	SMERA BB+ / Stable
	Proposed Long Term Loan	Long Term	INR 5.77	SMERA BB+ / Stable
	Letter of Credit	Short Term	INR 0.15	SMERA A4+
	Bank Guarantee	Short Term	INR 0.75	SMERA A4+

#Annexure - Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	SMERA BB+ Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	4.33	SMERA BB+ Issuer not co-operating*
Letter of credit	Not Applicable	Not Applicable	Not Applicable	0.15	SMERA A4+ Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.75	SMERA A4+ Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	5.77	SMERA BB+ Issuer not co-operating*

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

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ABOUT SMERA

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