



## Press Release

### Indcoat Shoe Components Limited (Iscl)

October 13, 2018

#### Rating Update

|                                     |  |
|-------------------------------------|--|
| <b>Total Bank Facilities Rated*</b> | Rs.17.00 Cr.#                          |
| <b>Long Term Rating</b>             | ACUITE BB+<br>Issuer not co-operating* |
| <b>Short Term Rating</b>            | ACUITE A4+<br>Issuer not co-operating* |

#Refer Annexure for details

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

#### Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE BB+** (read as **ACUITE double B plus**) and short term rating of '**ACUITE A4+** (read as **ACUITEA four plus**) on the Rs.17.00 crore bank facilities of Indcoat Shoe Components Limited (ISCL). This rating is now an indicative rating and is based on best available information.

#### 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.

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

#### Applicable Criteria

- Default Recognition -<https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities-<https://www.acuite.in/view-rating-criteria-4.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 endeavored 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:

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.

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

None

#### **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 (Up to last three years)**

| Date      | Name of Instrument / Facilities | Term       | Amount (Rs. Cr) | Ratings/Outlook              |
|-----------|---------------------------------|------------|-----------------|------------------------------|
| 26-Sep-17 | Cash Credit                     | Long term  | 6.00            | ACUITE BB+ (Indicative)      |
|           | Term Loan                       | Long term  | 4.33            | ACUITE BB+ (Indicative)      |
|           | Letter of Credit                | Short Term | 0.15            | ACUITE A4+ (Indicative)      |
|           | Bank Guarantee                  | Short Term | 0.75            | ACUITE A4+ (Indicative)      |
|           | Proposed Long Term Loan         | Long Term  | 5.77            | ACUITE BB+ (Indicative)      |
| 27-Apr-16 | Cash Credit                     | Long term  | 6.00            | ACUITE BB+/Stable (Assigned) |
|           | Term Loan                       | Long term  | 4.33            | ACUITE BB+/Stable (Assigned) |
|           | Letter of Credit                | Short Term | 0.15            | ACUITE A4+ (Assigned)        |
|           | Bank Guarantee                  | Short Term | 0.75            | ACUITE A4+ (Assigned)        |
|           | Proposed Long Term Loan         | Long Term  | 5.77            | ACUITE BB+/Stable (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                        |
|-------------------------|------------------|----------------|----------------|-------------------------------|--|
| Cash Credit             | Not Applicable   | Not Applicable | Not Applicable | 6.00                          | ACUITE BB+<br>Issuer not co-operating* |
| Term Loan               | Not Applicable   | Not Applicable | Not Applicable | 4.33                          | ACUITE BB+<br>Issuer not co-operating  |
| Letter of Credit        | Not Applicable   | Not Applicable | Not Applicable | 0.15                          | ACUITE A4+<br>Issuer not co-operating  |
| Bank Guarantee          | Not Applicable   | Not Applicable | Not Applicable | 0.75                          | ACUITE A4+<br>Issuer not co-operating  |
| Proposed Long Term Loan | Not Applicable   | Not Applicable | Not Applicable | 5.77                          | ACUITE BB+<br>Issuer not co-operating  |

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

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|---|--|
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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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