

Press Release

Indcoat Shoe Components Limited (Iscl)

April 07, 2021



Rating Update

Total Bank Facilities Rated*	Rs. 17.00 Cr.#
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

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

Acuite has downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and reviewed the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 17.00 crore bank facilities of Indcoat Shoe Components Limited (Iscl). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

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.

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing 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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

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)

None

Any other information

Acuite 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
Jan 13, 2020	Cash Credit	Long Term	6.00	ACUITE BB+ Issuer not co-operating*
	Term Loan	Long Term	4.33	ACUITE BB+ Issuer not co-operating*
	Letter of Credit	Short Term	0.15	ACUITE A4+ Issuer not co-operating*
	Bank Guarantee	Short Term	0.75	ACUITE A4+ Issuer not co-operating*
	Proposed Long Term Loan	Long Term	5.77	ACUITE BB+ Issuer not co-operating*
Oct 13, 2018	Cash Credit	Long Term	6.00	ACUITE BB+ Issuer not co-operating*
	Term Loan	Long Term	4.33	ACUITE BB+ Issuer not co-operating*
	Letter of Credit	Short Term	0.15	ACUITE A4+ Issuer not co-operating*
	Bank Guarantee	Short Term	0.75	ACUITE A4+ Issuer not co-operating*
	Proposed Long Term Loan	Long Term	5.77	ACUITE BB+ Issuer not co-operating*
Sept 26, 2017	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)

#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 (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	4.33	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.15	ACUITE A4+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE A4+ Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	5.77	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

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