



Press Release

Indcoat Shoe Components Limited

July 06, 2022

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.90	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	16.10	ACUITE BB Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	17.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) and 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 based on the best available information.

About the Company

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.

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 - Key Financials

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

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

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.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Apr 2021	Proposed Long Term Loan	Long Term	5.77	ACUITE BB (Downgraded and 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*)
	Cash Credit	Long Term	6.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.33	ACUITE BB (Downgraded and Issuer not co-operating*)
13 Jan 2020	Bank Guarantee	Short Term	0.75	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	4.33	ACUITE BB+ (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	5.77	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Short Term	0.15	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE BB+ (Issuer not co-operating*)
13 Oct 2018	Bank Guarantee	Short Term	0.75	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	4.33	ACUITE BB+ (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	5.77	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Short Term	0.15	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE BB+ (Issuer not co-operating*)
26 Sep 2017	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*)
27 Apr 2016	Cash Credit	Long Term	6.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	4.33	ACUITE BB+ Stable (Assigned)
	Proposed Long Term Loan	Long Term	5.77	ACUITE BB+ Stable (Assigned)
	Letter of Credit	Short Term	0.15	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	0.75	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE BB Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.15	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	5.77	ACUITE BB Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	4.33	ACUITE BB Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Radhika Kolwankar Junior Analyst-Rating Operations Tel: 022-49294065 radhika.kolwankar@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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