Press Release

Faizan Shoes Private Limited
December 28, 2024
Rating Downgraded,Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.50	ACUITE B | Downgraded | Issuer not co-operating*	-
Bank Loan Ratings	2.00	-	ACUITE A4 | Reaffirmed | Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	19.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

** 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)**from **'ACUITE B+' (read as ACUITE B plus)**and reaffirmed the short term rating of **'ACUITE A4' (read as ACUITE A four)**on the Rs. 19.50 crore bank facilities of Faizan Shoes Private Limited (FSPL) on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Faizan Shoes Private Limited (FSPL) is a Chennai-based company manufacrtured in June 1989, and directed by Mr. Rafeeq Ahmed. The company manufactures leather footwear (full shoes) and leather shoe uppers for men, and women, and exports them to Germany, Italy and USA. The company has installed capacity of 600000 pairs of leather footwear (full shoes) per annum.

Unsupported Rating

Not Applicable

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

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	1.53	1.93
PAT	Rs. Cr.	(0.25)	(1.38)
PAT Margin	(%)	(16.04)	(71.79)
Total Debt/Tangible Net Worth	Times	(0.37)	(0.38)
PBDIT/Interest	Times	0.88	0.30

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm
- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Sep 2023	Letter of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Long Term	2.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Post Shipment Credit	Long Term	7.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	PC/PCFC	Long Term	8.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
04 Jul 2022	Letter of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	PC/PCFC	Long Term	8.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Long Term	2.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Post Shipment Credit	Long Term	7.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
05 Apr 2021	Letter of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	PC/PCFC	Long Term	8.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Post Shipment Credit	Long Term	6.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Post Shipment Credit	Long Term	1.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)

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

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A4 | Reaffirmed | Issuer not co-operating*
State Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.50	Simple	ACUITE B | Downgraded | Issuer not co-operating* (from ACUITE B+)
State Bank of India	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE B | Downgraded | Issuer not co-operating* (from ACUITE B+)
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE B | Downgraded | Issuer not co-operating* (from ACUITE B+)

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Contacts

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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.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.