

## Press Release

### Indocem Colours Private Limited

April 07, 2023



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	ACUITE B+   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	15.00	-	-

### Rating Rationale

Acuite has reaffirmed the long-term rating of 'ACUITE B+' (read as ACUITE B Plus) on the Rs. 15.00 Cr bank facilities of Indocem Colours Private Limited (ICPL). The rating is now flagged as "Issuer Not-Cooperating" and is based on best available information..

### About the Company

Incorporated in 2014, M/s. Indocem Colours Private Limited (ICPL) is a Karnataka based company, currently headed by Mr. Ketan Shantilal Shah, Mr. Nama Narayana Prasad, Mrs. Jaishree Ketan Shah and Mrs. Nama Nagajyothi. The company is engaged in manufacturing of Paints/ varnishes and other allied products such as manufacturing of all kinds of Paints, Pigments, Distempers and Inks, floor coatings, wood coatings, and glass coatings.

### Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity. However, the issuer/borrower failed to submit such information before the due date. The entity has not furnished the No Default Statement (NDS) for a consecutive period of 05 months since November 2022.

Acuite 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 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). 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 ratings is based.

### Rating Sensitivities

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

### Material Covenants

None

## 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.	34.19	37.86
PAT	Rs. Cr.	(0.90)	0.03
PAT Margin	(%)	(2.64)	0.09
Total Debt/Tangible Net Worth	Times	16.27	8.28
PBDIT/Interest	Times	1.14	1.89

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

NOT APPLICABLE

## Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

## Applicable Criteria

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

## Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Nov 2022	Term Loan	Long Term	0.85	ACUITE B+   Stable (Assigned)
	Working Capital Term Loan	Long Term	1.30	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	0.34	ACUITE B+   Stable (Assigned)
	Proposed Bank Facility	Long Term	2.48	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	2.32	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	0.26	ACUITE B+   Stable (Assigned)
	Cash Credit	Long Term	7.45	ACUITE B+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	7.45	ACUITE B+   Reaffirmed   Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Covid Emergency Line.	13 Mar 2021	8.00	01 Jul 2024	Simple	1.30	ACUITE B+   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	2.48	ACUITE B+   Reaffirmed   Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	06 Sep 2021	8.30	05 Sep 2026	Simple	0.26	ACUITE B+   Reaffirmed   Issuer not co-operating*
Karnataka State Financial Corporation	Not Applicable	Term Loan	22 Nov 2016	Not available	Not available	Simple	0.85	ACUITE B+   Reaffirmed   Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	25 Apr 2022	7.80	10 Apr 2027	Simple	0.34	ACUITE B+   Reaffirmed   Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.32	ACUITE B+   Reaffirmed   Issuer not co-operating*

## 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.

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