

November 25, 2021

Spice Islands Apparels Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based- PCL/ PCFC	2.00	2.00	[ICRA] A4; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category
Fund based FDBP/FUDBP/BDFC/BPFC	4.00	4.00	[ICRA] A4; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category
Non-Fund based- Bank Guarantee	0.20	0.20	[ICRA] A4; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category
Total	6.20	6.20	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has retained the ratings for the bank facilities of Spice Islands Apparels Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA] A4; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while sing this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Spice Islands Apparels Limited was incorporated in 1988 as a private limited company and subsequently converted into a public limited company on October 6, 1994. SIAL is primarily a manufacturer and exporter of woven and knitted garments, such as Shirts, Blouses, Skirts, T-shirts, Polo shirts and Sweatshirts. The company is promoted by Mr. Umesh Katre, who has been in this line of business for more than 30 years, with vast experience in different aspects of textile production, marketing and exports. SIAL has two plants in India (Mumbai and Tirupur) and an outsourced unit in Bangalore. SIAL also invests surplus funds from operations in Equity shares, Mutual Funds and Alternative Investments.

Key financial indicators

	FY2020	FY2021
Operating Income (Rs. crore)	15.64	6.60
PAT (Rs. crore)	-2.93	-2.18
OPBDIT/ OI (%)	-17.94%	-27.37%
RoCE (%)	-39.09%	-55.02%
Total Debt/ TNW (times)	0.65	2.58
Total Debt/ OPBDIT (times)	-0.69	-1.10
Interest Coverage (times)	-15.53	-23.35

Source: MCA

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					25-Nov- 2021	28-Sep-2020	27-Jun-2019	-
1	PCL/ PCFC	Short Term	2.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	-
2	FDBP/FUDBP/ BDFC/BPFC	Short Term	4.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	-
3	Bank Guarantee	Short Term	0.20	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
PCL/ PCFC	Simple
FDBP/FUDBP/BDFC/BPFC	Simple
Bank Guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	PCL/ PCFC	-	-	-	2.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	FDBP/FUDBP/BDFC/BPFC	-	-	-	4.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Bank Guarantee	-	-	-	0.20	[ICRA]A4; ISSUER NOT COOPERATING

Source: Spice Islands Apparels Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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