November 30, 2021

The Indian Card Clothing Company Limited: Rating Withdrawn

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – WCDL	1.00	1.00	[ICRA]BB+(Stable); Withdrawn
Short Term – Non-Fund Based – Letter of Credit	2.00	2.00	[ICRA]A4+; Withdrawn
Long Term/Short Term – Fund Based – Cash Credit/Pre-Shipment/Post-Shipment	9.00	9.00	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn
Long Term - Unallocated	5.60	5.60	[ICRA]BB+(Stable); Withdrawn
Total	**17.60**	**17.60**	

^Instrument details are provided in Annexure-1

Rationale

The long-term and short-term ratings assigned to the bank facilities of The Indian Card Clothing Company Limited has been withdrawn at the request of the company and based on the No Due Certificate received from the banker, and in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the related instruments are being withdrawn. The previous detailed rating rationale is available at the following link: **Click here.**

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Ratings Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

The Indian Card Clothing Company Limited (ICC) has been associated with textile spinning industry for 55 years and is engaged in supplying high speed card clothing sets. The Pune (Maharashtra) based company manufactures card clothing and card room accessories for complete range of carding machines and supplies to textile mills across India as well as global markets. ICC trades in of all types of card clothing's suitable for all types of fibres which require carding. The company has manufacturing facilities at two locations, Pimpri (Pune, Maharashtra) and Nalagarh (Himachal Pradesh). The manufacturing operations at Pune plant have been discontinued from April 2018 and entire plant and machinery has been shifted to Himachal Pradesh plant during FY2019.

The Company was incorporated on June 24, 1955 as a private limited company and was converted into a public limited company on March 27, 1975. It was promoted by The English Card Clothing Co. Ltd., England (ECC) and Carlo Engineering Group Ltd. (Carlo), with share capital of 77.5% and 22.5% respectively till the offer for sale was made by them to the Indian Public during September 1978. With this offer for sale, the non-resident holding by the company reduced from 100% to 74%. In February 1985, Acre Street Investment Ltd. U.K. (ASIL, also formerly known as The English Card Clothing Co. Ltd.) which was a wholly owned subsidiary of the Carlo, was taken over by Gold Card Trading Co. Ltd. Hong Kong (GCTCL) and subsequently management of ICC was passed on to the Trivedi Family. At present, Mauritius based, Multi Act Industrial Limited (MAIL) is the holding company of ICC with a stake of 67.33% in the equity share capital of the company. MAIL is promoted by Trivedi Family and a few other shareholders.

ICC has three subsidiaries, namely Garnett Wire Limited, ICC International Agencies Limited and Shivraj Sugar & Allied Products Pvt. Ltd.

Key financial indicators (audited)

	FY2020	FY2021
Operating Income (Rs. Crore)	51.28	45.31
PAT (Rs. Crore)	-4.18	-0.87
OPBDIT/OI (%)	-2.43%	4.70%
PAT/OI (%)	-8.15%	-1.90%
Total Outstanding Liabilities/Tangible Net Worth (times)	0.51	0.45
Total Debt/OPBDIT (times)	-14.01	10.23
Interest Coverage (times)	-0.45	1.23

PAT: Profit After Tax, OPBDIT: Operating Profit Before Depreciation, Interest and Tax, OI: Operating Income

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	
					Nov 30, 2021	Aug 20, 2020	Jan 30, 2020	Oct 15, 2019	Jun 03, 2019	Nov 12, 2018	Jun 05, 2018
1	Term Loans	Long-Term	-	-	-	-	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BBB (Negative)	[ICRA]BBB+ (Stable)
2	WCDL	Long-Term	1.00	-	[ICRA]BB+(Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BBB (Negative)	[ICRA]BBB+ (Stable)
3	Fund Based – Working Capital	Long-Term/Short-Term	9.00	-	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn	[ICRA]BB+ (Stable)/[ICRA] A4+	[ICRA]BB+ (Stable)/[ICRA]A4+	[ICRA]BB+ (Stable)/[ICRA]A4+	[ICRA]BB+ (Stable)/[ICRA]A4+	[ICRA]BBB (Negative) /[ICRA] A3+	[ICRA]BBB+ (Stable)/ [ICRA]A2

4	Non-Fund Based	Short Term	2.00	-	**[ICRA]A4+; Withdrawn**	**[ICRA]A4+**	**[ICRA]A4+**	**[ICRA]A4+**	**[ICRA]A4+**	**[ICRA]A3+**	**[ICRA]A2**
5	Unallocated	Long Term	5.60	-	**[ICRA]BB+(Stable); Withdrawn**	**[ICRA]BB+ (Stable)**	-	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
WCDL	Simple
Letter of credit	Very Simple
Cash Credit / Pre – shipment / Post – shipment	Simple
Unallocated	Not Applicable

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	WCDL	January 2017	-	-	1.00	[ICRA]BB+(Stable); Withdrawn
NA	Fund Based – Working Capital	-	-	-	9.00	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn
NA	Non-Fund Based	-	-	-	2.00	[ICRA]A4+; Withdrawn
NA	Unallocated amount	-	-	-	5.60	[ICRA]BB+(Stable); Withdrawn

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.

For more information, visit www.icra.in

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