

June 27, 2019

Spice Islands Apparels Limited: Rating continues to remain under ‘Issuer Not Cooperating’ category

Summary of Rated Instrument:

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 in the ‘Issuer Not Cooperating’ category
Fund based- FDBP/FUDBP/BDFC/BPFC	4.00	4.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating continues to remain in the ‘Issuer Not Cooperating’ category
Non Fund based- Bank Guarantee	0.20	0.20	[ICRA]A4 ISSUER NOT COOPERATING*; Rating continues to remain in the ‘Issuer Not Cooperating’ category
Total	6.20	6.20	

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

Rationale

The rating for the Rs. 6.20 crore bank facilities of Spice Islands Apparels Limited (SIAL) continues to remain 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 company so as to monitor its performance, but despite repeated requests by ICRA, the company’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 using this rating as the rating may not adequately reflect the credit risk profile of the company.

In the absence of requisite information, and in line with SEBI’s Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA’s Rating Committee has taken a rating view based on the best available information.

Analytical approach:

Analytical approach	Comments
Applicable rating methodologies	Policy in respect of non-cooperation by the rated entity
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.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key Financial Indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	30.0	17.6
PAT (Rs. crore)	-1.3	-3.9
OPBDIT/OI (%)	-1.4%	-21.3%
RoCE (%)	-6.6%	-144.1%
Total Debt/TNW (times)	0.5	0.5
Total Debt/OPBDIT (times)	-10.5	-0.2
Interest Coverage (times)	-1.2	-10.4

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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.

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