



Press Release

Euro Safety Footwear India Private Limited

April 30, 2024

Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings*	Rating Action	Complexity Indicator
Long-Term Bank Facilities	12.36	IVR BB+; Negative, ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook, ISSUER NOT COOPERATING)	Downgraded with revision in outlook from 'Stable' to 'Negative' and moved to Issuer Not Cooperating category	Simple
Short- Term Bank Facilities	55.60	IVR A4+, ISSUER NOT COOPERATING* (IVR A Four Plus, ISSUER NOT COOPERATING)	Downgraded and moved to Issuer Not Cooperating category	Simple
Total	67.96 (Rupees Sixty-Seven Crore and Ninety-Six Lakh only)			

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

Details of Facility are in Annexure 1

Detailed Rationale

The downgrade in the ratings assigned to the bank facilities of Euro Safety Footwear India Private Limited (ESPL) is because of non-cooperation by the company and lack of adequate information regarding ESPL's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer



Press Release

Infomerics has been regularly following up with the entity to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated February 7, 2024, February 13, 2024, March 6, 2024, March 13, 2024 and March 20, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term and short-term ratings for the bank facilities of Euro Safety Footwear India Private Limited aggregating to Rs.67.96 crore shall be moved to 'ISSUER NOT COOPERATING' category and the long term ratings will be noted as 'IVR BB+; Negative, ISSUER NOT COOPERATING' (IVR Double B Plus with Negative outlook, Issuer Not Co-operating) and short term rating will be noted as 'IVR A4+, ISSUER NOT COOPERATING' (IVR A Four Plus, Issuer Not Co-operating), based on best available information.

Liquidity: Unable to comment due to lack of adequate information.

Analytical Approach: Standalone

Applicable Criteria

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of assigning Rating Outlook](#)

[Policy on default recognition](#)

[Criteria on complexity](#)

About the Company



Press Release

Incorporated on December 23, 2004, Uttar Pradesh-based, Euro Safety Footwear (I) Pvt Ltd “ESPL” was promoted by Mr. Kulbir Singh along with her wife Smt. Dilbir Kaur, daughter and son in law Smt. Stella bhuhiraja and Mr Deepak Bhudhiraja. The company started its manufacturing operation from Agra which is one of the major sources of leather footwear in the global markets. Currently, the company is engaged in manufacturing and trading of industrial safety footwears and PPE products respectively by PU direct injection process, for the industrial workforce sector, across all categories, along with annual production capacity of 22 lakh pairs of safety shoes.

Financials (Standalone): Latest financials are not available

For the year ended* / As on	(Rs. crore)	
	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	130.27	152.84
EBITDA	16.83	18.18
PAT	8.62	11.90
Total Debt	62.72	82.72
Tangible Net Worth	48.78	60.20
EBITDA Margin (%)	12.92	11.89
PAT Margin (%)	6.52	7.55
Overall Gearing Ratio (x)	1.59	1.37
Interest Coverage (x)	4.92	5.18

**Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA:

Brickwork Ratings vide its Press Release dated April 1, 2024 respectively kept the rating under issuer not cooperating category due to non-submission of information by the company.

Any other information: Nil

Rating History for last three years:



Press Release

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23 (Mar 6, 2023)	Date(s) & Rating(s) assigned in 2021-22 (Jan 7, 2022)	Date(s) & Rating(s) assigned in 2021-22 (Nov 27, 2021)
1.	Term Loan/ GECL	LT	12.36	IVR BB+; Negative; ISSUER NOT COOPERATING*	-	IVR BBB; Stable	IVR BBB; Stable	-
2.	Packing Credit/PCFC/Post Shipment	ST	50.40	IVR A4+; ISSUER NOT COOPERATING*	-	IVR A3+	IVR A3+	IVR A3+
3.	Letter of Credit / Bank Guarantee	ST	2.00	IVR A4+; ISSUER NOT COOPERATING*	-	IVR A3+	IVR A3+	-
4.	Forward Contract	ST	3.20	IVR A4+; ISSUER NOT COOPERATING*	-	IVR A3+	IVR A3+	-

* Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt



Press Release

instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan/ GECL	-	-	Aug 2024 & March 2027	12.36	IVR BB+; Negative; ISSUER NOT COOPERATING*
Packing Credit/PCFC/Post Shipment	-	-	-	50.40	IVR A4+; ISSUER NOT COOPERATING*
Letter of Credit / Bank Guarantee	-	-	-	2.00	IVR A4+; ISSUER NOT COOPERATING*



Press Release

Forward Contract	-	-	-	3.20	IVR A4+; ISSUER NOT COOPERATING*
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** Issuer did not cooperate; based on best available information*

Annexure 2: Facility wise lender details: Not Available

Annexure 3: List of companies considered for consolidated analysis: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at

<https://www.infomerics.com/rating-criteria-detail/complexity-level-of-ratedinstrumentsfacilities>