

## Kora Shoes Private Limited

December 09, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	2.49	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Short Term Bank Facilities	16.45	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>18.94</b> <b>(Rs. Eighteen</b> <b>Creore and</b> <b>Ninety-Four</b> <b>Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated November 17, 2020, placed the rating(s) of Kora Shoes Private Limited (KSPL) under the 'issuer non-cooperating' category as KSPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. KSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated October 03, 2021, October 13, 2021 and October 23, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).***

The ratings assigned to the bank facilities of KSPL have been revised on account of non-availability of requisite information. The rating also factored in reporting net losses and deterioration in debt coverage indicators during FY20 over FY19.

### Detailed description of the key rating drivers

Please refer to PR dated [November 17, 2020](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Kora Shoes Private Limited (KSPL) was incorporated in 2009 by Mr. Venkat Ramesh Kora, Dr. Chalapathy Kora and Mrs. VijayaKora. The company started its commercial operations from February, 2011 by doing job work for other factories. Later on, the company commenced manufacturing and export of leather shoes and shoe uppers from August 2011. The company is presently engaged in manufacture of leather shoe uppers and leather shoes which are primarily exported to European countries viz. Germany and France. Presently, the company has a manufacturing capacity of 8 lakh pair of shoes per annum at its manufacturing facilities located at Poondi Village, Vellore district. Earlier, KSPL had the manufacturing unit established in Moondramkattalai, Chennai in leased

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE publications

premises. Subsequently, the additional unit was put up in Poondi Village, Vellore district (own premises) and the unit became operational in January 2014.

<b>Brief Financials (Rs. crore)</b>	<b>FY19 (A)</b>	<b>FY20 (A)</b>	<b>FY21(Prov.)</b>
Total operating income	48.38	53.67	NA
PBILDT	3.97	2.49	NA
PAT	0.82	-0.08	NA
Overall gearing (times)	2.12	2.42	NA
Interest coverage (times)	2.78	1.56	NA

*A: Audited; Prov.: Provisional; NA: Not Available*

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

**Any other information:** Not Applicable

**Disclosure of Interest of Independent/Non-Executive Directors and Managing Director & CEO of CARE:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

#### **Annexure-1: Details of Instruments / Facilities**

<b>Name of the Instrument</b>	<b>ISIN</b>	<b>Date of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Size of the Issue (Rs. crore)</b>	<b>Rating assigned along with Rating Outlook</b>
Fund-based - LT-Term Loan		-	-	March 2020	2.49	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-EPC/PSC		-	-	-	15.50	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Credit Exposure Limit		-	-	-	0.60	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	0.35	CARE A4; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	2.49	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (17-Nov-20)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (28-Aug-19)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (18-Jan-19)
2	Fund-based - ST-EPC/PSC	ST	15.50	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (17-Nov-20)	1)CARE A4; ISSUER NOT COOPERATING* (28-Aug-19)	1)CARE A4; ISSUER NOT COOPERATING* (18-Jan-19)
3	Non-fund-based - ST-Credit Exposure Limit	ST	0.60	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (17-Nov-20)	1)CARE A4; ISSUER NOT COOPERATING* (28-Aug-19)	1)CARE A4; ISSUER NOT COOPERATING* (18-Jan-19)
4	Non-fund-based - ST-Letter of credit	ST	0.35	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (17-Nov-20)	1)CARE A4; ISSUER NOT COOPERATING* (28-Aug-19)	1)CARE A4; ISSUER NOT COOPERATING* (18-Jan-19)

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

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - ST-EPC/PSC	Simple
3	Non-fund-based - ST-Credit Exposure Limit	Simple
4	Non-fund-based - ST-Letter of credit	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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### About CARE Ratings:

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