

## K. P. Industries

May 03, 2021

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	9.69	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Facilities	9.69 (Rs. Nine Crore and Sixty-Nine Lakhs Only)		

*Details of instruments/facilities in Annexure-I*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated April 30, 2020, placed the rating K. P. Industries (KPI) under the 'Issuer non-cooperating' category as KPI had failed to provide information for monitoring of the ratings as agreed to in its rating agreement. KPI continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated March 16, 2021, March 26, 2021, April 05, 2021 etc. 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 ratings.**

### Detailed description of the key rating drivers

At the time of last rating on April 30, 2020 the following was the rating weakness

### Key Rating Weakness

#### Ongoing delay in debt servicing

KPI has been became NPA due to weak liquidity position of the firm.

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-Cooperation by Issuer](#)

[Criteria on assigning Outlook and credit watch to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology-Manufacturing Companies](#)

### About the firm

Established in the year 2009, Ahmedabad-based K.P. Industries (KPI) is a partnership firm engaged in the processing of nonbasmati rice. Key partners include Mr. Dhaval Prajapati and Mr. Atul Prajapati who manage the day to day operations. As on March 31, 2016, it had a total installed capacity of 69,120 Metric Tonnes per annum and operates through its sole manufacturing unit at Kheda.

Brief Financials (Rs. crore)	FY15 (A)	FY16(A)
Total operating income	51.04	52.01
PBILDT	1.36	1.57
PAT	0.18	0.19
Overall gearing (times)	3.50	3.29
Interest coverage (times)	1.29	1.27

A: Audited

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

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

Status of non-cooperation with previous CRA: Nil

Any other information: Not applicable

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

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

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	Jul 2018	0.19	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	9.50	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based in 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	0.19	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-20)	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19)
2.	Fund-based - LT-Cash Credit	LT	9.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Apr-20)	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19)

\*Issuer did not cooperate; Based in best available information

**Annexure 3: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Mradul Mishra

Contact no.: (022) 6837 4424

Email ID: [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

### Analyst Contact

Name: Ms. Shachee Vyas

Contact no.: (079) 40265665

Email ID: [shachee.tripathi@careratings.com](mailto:shachee.tripathi@careratings.com)

### Business Development Contact

Name: Mr. Deepak Prajapati

Contact no. : (079) 40265656

Email ID: [deepak.prajapati@careratings.com](mailto:deepak.prajapati@careratings.com)

### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

#### Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.