

## Kudu Industries Limited

December 09, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	12.16	<b>CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
Short Term Bank Facilities	0.37	<b>CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>12.53 (₹ Twelve Crore and Fifty-Three Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

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

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated September 22, 2021, placed the rating(s) of Kudu Industries Limited (KIL) under the 'issuer non-cooperating' category as KIL 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. KIL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated August 08, 2022, August 18, 2022, August 28, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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 have been revised on account of non-availability of requisite information. The revision also considers the decline in scale of operations and profitability in FY21 compared to FY20. Further, the ratings are also factor in the leveraged capital structure as a result of high overall debt vis-à-vis low net worth base.

### Detailed description of the key rating drivers

Please refer to PR dated [September 22, 2021](#)

**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

Kudu Industries Limited (KIL) was incorporated in March-1990 as a private limited company by the name of Kudu Knitfab Private Limited. However, in May-2008, the constitution was changed to a closely held public limited company and the entity got renamed to KIL. The company is currently being managed by Mr Gagan Bishan, Mr Gaurav Mittal and Mr Gautam Mittal. KIL is engaged in the manufacturing of knitted fabric at its manufacturing facility located at Ludhiana, Punjab.

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

Brief Financials (₹ crore)	FY21(A)	FY22(A)	H1FY23(Prov.)
Total operating income	NA	NA	NA
PBILDT	NA	NA	NA
PAT	NA	NA	NA
Overall gearing (times)	NA	NA	NA
Interest coverage (times)	NA	NA	NA

**Status of non-cooperation with previous CRA:** India Ratings has continued the rating assigned to the bank facilities of KIL into Issuer Not Cooperating category vide press release dated September 09, 2022 on account of its inability to carry out a review in the absence of requisite information.

**Any other information:** 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

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	9.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2022	3.16	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	0.37	CARE A4; ISSUER NOT COOPERATING*

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

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	9.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (22-Sep-21)	1)CARE B; Stable; ISSUER NOT COOPERATING* (20-Aug-20)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (27-May-19)
2	Fund-based - LT-Term Loan	LT	3.16	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (22-Sep-21)	1)CARE B; Stable; ISSUER NOT COOPERATING* (20-Aug-20)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (27-May-19)
3	Non-fund-based - ST-Bank Guarantee	ST	0.37	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (22-Sep-21)	1)CARE A4; ISSUER NOT COOPERATING* (20-Aug-20)	1)CARE A4; ISSUER NOT COOPERATING* (27-May-19)

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

**Annexure-3: Detailed explanation of the covenants of the rated instruments/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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**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.

**Contact us**
**Media Contact**

Name: Mradul Mishra

Contact no.: +91-22-6754 3573

Email ID: [mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

**Analyst Contact**

Ms. Shachee Vyas

Contact No.: +91-79-4026 5665

Email ID – [shachee.tripathi@careedge.in](mailto:shachee.tripathi@careedge.in)

**Relationship Contact**

Ms. Swati Agrawal

Contact No.: +91-11-45333237

Email ID – [Swati.Agrawal@careedge.in](mailto:Swati.Agrawal@careedge.in)

**About CARE Ratings Limited:**

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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