

Patspin India Limited

November 10, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	68.36	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	7.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	143.80	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	219.16 (Rs. Two Hundred Nineteen Crore and Sixteen Lakhs Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had vide its press release dated January 21, 2021 placed the ratings of Patspin India Limited (PIL) under the issuer non cooperating category as PIL had failed to provide information for monitoring the ratings as agreed to in its rating agreement. PIL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated October 27, 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).

Detailed description of the key rating drivers

At the time of last rating on January 21, 2021 the following were the rating strength and weakness (updated for the information available from stock exchange)

Key Rating Weaknesses

Ongoing delays in debt servicing:

During FY21, the company reported net loss of Rs.38 crore on total income of Rs.148.42 crore. On account of continuous losses over the years with inadequate cash accruals, there have been ongoing delays in servicing of debt obligations.

Analytical Approach: Standalone

Applicable criteria:

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

[Policy on default recognition](#)

About the company

Patspin India Limited (PIL) is part of Kerala based GTN group. GTN group was established by Late Mr. M.L. Patodia in 1960. GTN group has presence in spinning yarn, knitting, processing and garmenting. Primary business activity of PIL is production and sale of cotton yarn (counts ranging from 20s to 100s). In addition to this, PIL is also engaged in value-adding activities like TFO (Two-For-One) twisting and gassing of textile yarn. Incorporated in the year 1991, as on March 31, 2021, the total capacity of PIL stood at 114,000 spindles.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	Q1 FY22 (Prov)
Total operating income	394.01	148.42	31.99
PBILDT	0.09	-3.89	-2.79
PAT	-24.01	-37.97	-5.32
Overall gearing (times)	NM	NM	NA
Interest coverage (times)	0.00	-0.16	-0.48

A: Audited; Prov: Provisional; NM: Not meaningful; NA: Not available.

Status of non-cooperation with previous CRA:

Not Applicable

Any other information:

Not Applicable

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

Covenants of rated instrument / facility: NA

Complexity of instruments rated for the company: Please refer Annexure-3

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March 2022	68.36	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-EPC/PSC		-	-	-	52.05	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-BG/LC		-	-	-	7.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	58.25	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-Packing Credit in Indian rupee		-	-	-	29.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees		-	-	-	4.50	CARE D; ISSUER NOT COOPERATING*

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	68.36	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (21-Jan-21)	1)CARE D; ISSUER NOT COOPERATING* (11-Mar-20) 2)CARE D (25-Nov-19) 3)CARE D (04-Apr-19)	-
2	Fund-based - ST-EPC/PSC	ST	52.05	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING*	1)CARE D; ISSUER NOT COOPERATING*	-

						(21-Jan-21)	(11-Mar-20) 2)CARE D (25-Nov-19) 3)CARE A4 (04-Apr-19)	
3	Non-fund-based - LT/ ST-BG/LC	LT/ST *	7.00	CARE D / CARE D; ISSUER NOT COOPERATING *	-	1)CARE D / CARE D; ISSUER NOT COOPERATING * (21-Jan-21)	1)CARE D / CARE D; ISSUER NOT COOPERATING * (11-Mar-20) 2)CARE D / CARE D (25-Nov-19) 3)CARE C; Stable / CARE A4 (04-Apr-19)	-
4	Non-fund-based - ST-Letter of credit	ST	58.25	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (21-Jan-21)	1)CARE D; ISSUER NOT COOPERATING * (11-Mar-20) 2)CARE D (25-Nov-19) 3)CARE A4 (04-Apr-19)	-
5	Fund-based - ST- Packing Credit in Indian rupee	ST	29.00	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (21-Jan-21)	1)CARE D; ISSUER NOT COOPERATING * (11-Mar-20) 2)CARE D (25-Nov-19) 3)CARE A4 (04-Apr-19)	-
6	Non-fund-based - ST-Bank Guarantees	ST	4.50	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D; ISSUER NOT COOPERATING * (21-Jan-21)	1)CARE D; ISSUER NOT COOPERATING * (11-Mar-20) 2)CARE D (25-Nov-19) 3)CARE A4 (04-Apr-19)	-

* Long Term / Short Term

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	Fund-based - ST-Packing Credit in Indian rupee	Simple
4	Non-fund-based - LT/ ST-BG/LC	Simple
5	Non-fund-based - ST-Bank Guarantees	Simple
6	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. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

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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.

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