

KPT Spinning Mills Private Limited

October 18, 2022

Ratings

Facilities/Instruments	Amount (Rs crore)	Rating ¹	Rating Action
Long Term Bank Facilities	4.52	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	0.04	CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable/ A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	4.56 (Rs Four Crore and Fifty-Six Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 27, 2021, placed the rating(s) of KPT Spinning Mills Private Limited (KSMPL) under the 'issuer non-cooperating' category as KSMPL 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. KSMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 13, 2022, July 23, 2022, August 02, 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).

Detailed description of the key rating drivers

Please refer to PR dated [August 27, 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

KPT Spinning Mills Private Limited (KSMPL) was incorporated in 2010 and began its commercial operation from August 2011. The company is promoted by Mr. K P Thangamuthu and Mr. Vetrivel who incur more than a decade of experience in textile sector. KSMPL is mainly engaged in the manufacturing of cotton yarn in Erode. The company manufactures cotton yarn with count range of 40s. The current installed capacity for manufacturing of the unit is 8400 spindles of cotton yarn per month.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	H1FY23 (Prov.)
Total operating income	16.83	16.63	NA	NA
PBILDT	1.08	1.15	NA	NA
PAT	0.13	0.24	NA	NA
Overall gearing (times)	1.20	1.55	NA	NA
Interest coverage (times)	2.53	2.45	NA	NA

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

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities KSMPL into Issuer Not Cooperating category vide press release dated January 25, 2022 on account of its inability to carry out a review in the absence of the requisite information from the company.

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 (Rs crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	3.50	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	October 2020	1.02	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	0.04	CARE B-; Stable / 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	Type	Current Ratings		Rating History			
			Amount Outstanding (Rs 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	3.50	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (27-Aug-21)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (10-Aug-20)	1)CARE B-; Stable (09-Jul-19)
2	Fund-based - LT-Term Loan	LT	1.02	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (27-Aug-21)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (10-Aug-20)	1)CARE B-; Stable (09-Jul-19)
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST**	0.04	CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (27-Aug-21)	1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (10-Aug-20)	1)CARE B-; Stable / CARE A4 (09-Jul-19)

*Issuer did not cooperate; Based on best available information; **Long term/Short term

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 the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ 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 for any clarifications.

Contact us**Media Contact**

Mr. Mradul Mishra

Contact No.: +91-22-6837 4424

Email ID – mradul.mishra@careedge.in

Analyst Contact

Ms. Shachee Vyas

Contact No.: +91-79-4026 5665

Email ID – shachee.tripathi@careedge.in

Relationship Contact

Name: Pradeep Kumar V

Phone: +91-98407 54521

E-mail: pradeep.kumar@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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