

## P.K.P.N. Spinning Mills Private Limited

April 08, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities;	40.80	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	26.07	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated January 25, 2023, placed the rating(s) of P.K.P.N. Spinning Mills Private Limited (PSMPL) under the 'issuer non-cooperating' category as PSMPL 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. PSMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated December 11, 2023, December 21, 2023, December 31, 2023.

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).**

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers

Please refer to PR dated [January 25, 2023](#)

### Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

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

### About the Company

PKPN Spinning Mills Private Limited (PSMPL) incorporated in 1981 is the flagship company of PKPN group, which is owned and managed by Mr. P K Jayagopal and his family members. Based in Erode (Tamil Nadu), PSMPL manufactures viscose yarn, blended yarn, and speciality yarn such as lycra and acrylic yarn. PK Laxmi Mills India Pvt Ltd (PLMPL) was incorporated in 1989 in the name "Goodwill Textile Mills Private Limited". Later the promoters of PSMPL took over the company in 2010 and renamed it as PK Laxmi Mills India Pvt Ltd. The company manufactures different kinds of yarn- Viscose Staple Fibre yarn, Flax Yarn, Bamboo Yarn, Cotton/Viscose blended Yarn etc which are used in weaving different types of Fabrics. The PKPN group had installed capacity of 40,320 spindles & 544 vortex drums (from both PSMPL & PLMPL) as on March 31, 2019.

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	204.09	258.40
PBILDT	22.47	36.74
PAT	10.14	14.10
Overall gearing (times)	0.75	1.45
Interest coverage (times)	5.50	4.52

A: Audited; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Brickwork has continued the ratings assigned to the bank facilities of PSMPL to the 'issuer not-cooperating' category vide press release dated July 27, 2023 on account of its inability to carryout review in the absence of requisite information from the company.

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

**Any other information:** Not Applicable

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

**Covenants of the rated instruments/facilities:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	28.94	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	June 2024	11.86	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bill Discounting / Bills Purchasing		-	-	-	13.50	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC		-	-	-	12.57	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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	11.86	CARE BB; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (25-Jan-23)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (02-Nov-21)
2	Fund-based - LT-Cash Credit	LT	28.94	CARE BB; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (25-Jan-23)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (02-Nov-21)
3	Non-fund-based - ST-Bill Discounting / Bills Purchasing	ST	13.50	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4; ISSUER NOT COOPERATING* (25-Jan-23)	1)CARE A4; ISSUER NOT COOPERATING* (02-Nov-21)
4	Non-fund-based - ST-ILC/FLC	ST	12.57	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4; ISSUER NOT COOPERATING* (25-Jan-23)	1)CARE A4; ISSUER NOT COOPERATING* (02-Nov-21)

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

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

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 - ST-Bill Discounting / Bills Purchasing	Simple
4	Non-fund-based - ST-ILC/FLC	Simple

**Annexure-5: Lender details**

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

**Note on the complexity levels of the rated instruments:** CARE Ratings 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 us:**

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