

K P N Textile Mills Private Limited

May 06, 2024

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|----------------------------|------------------|--|---|
| Long Term Bank Facilities | 8.40 | CARE B+; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable; |
| Short Term Bank Facilities | 1.77 | 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 March 02, 2023, placed the rating(s) of K P N Textile Mills Private Limited (KPNTMPL) under the 'issuer non-cooperating' category as KPNTMPL 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. KPNTMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 16, 2024, January 26, 2024, February 05, 2024.

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 assigned to the bank facilities of KPNTMPL have been revised on account of non-availability of requisite information. The revision also factored in decline in overall profitability and deterioration in debt coverage indicators in FY23 over FY22.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [March 02, 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

K P N Textile Mills Private Limited (KPNTMPL) was incorporated in Sep 6, 2006 by Mr. K.P. Nachimuthu (Managing Director). KPNTMPL is currently being managed by his son Mr. N. Senthil Kumar who is Joint Managing Director of the company. The company is engaged in the manufacturing of 100% viscose yarn both in hank as well as in cone form. KPNTMPL has an installed capacity of 14,112 spindles with maximum production of 3100 tons per annum of viscose yarn as on September 18, 2017 along with wind mill capacity of 850 KW as on September 18, 2017 which is used primarily for captive consumption. The manufacturing facility is located in Namakkal district, Tamil Nadu. The windmill is located in Dharapuram, Tirupur district, Tamil Nadu and operational since June 2012.

| Brief Financials (Rs. crore) | March 31, 2022 (A) | March 31, 2023 (A) |
|------------------------------|--------------------|--------------------|
| Total operating income | 53.58 | 53.67 |
| PBILDT | 4.24 | 2.69 |
| PAT | 1.06 | 0.12 |
| Overall gearing (times) | 0.74 | 1.25 |
| Interest coverage (times) | 3.57 | 1.92 |

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

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities of KPNTMPL into Issuer Not Cooperating category vide press release dated September 20, 2023 on account of its inability to carry out a review in the absence of the requisite information from the company.

¹Complete definition of the ratings assigned are available at 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 | | - | - | - | 5.00 | CARE B+; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan | | - | - | November 2021 | 3.40 | CARE B+; Stable; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-Bank Guarantee | | - | - | - | 0.27 | CARE A4; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-Letter of credit | | - | - | - | 1.50 | 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 | 3.40 | CARE B+; Stable; ISSUER NOT COOPERATING * | - | - | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (02-Mar-23) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (27-Dec-21) |
| 2 | Fund-based - LT-Cash Credit | LT | 5.00 | CARE B+; Stable; ISSUER NOT COOPERATING * | - | - | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (02-Mar-23) | 1)CARE BB-; Stable; ISSUER NOT COOPERATING * (27-Dec-21) |
| 3 | Non-fund-based - ST-Bank Guarantee | ST | 0.27 | CARE A4; ISSUER NOT COOPERATING * | - | - | 1)CARE A4; ISSUER NOT COOPERATING * (02-Mar-23) | 1)CARE A4; ISSUER NOT COOPERATING * (27-Dec-21) |
| 4 | Non-fund-based - ST-Letter of credit | ST | 1.50 | CARE A4; ISSUER NOT COOPERATING * | - | - | 1)CARE A4; ISSUER NOT COOPERATING * (02-Mar-23) | 1)CARE A4; ISSUER NOT COOPERATING * (27-Dec-21) |

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

LT: Long term; ST: Short term

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-Bank Guarantee | Simple |
| 4 | Non-fund-based - ST-Letter of credit | 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 for any clarifications.

Contact us

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| Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 91 22 6754 3444 E-mail: Ankur.sachdeva@careedge.in | Analytical Contacts Shachee Nakul Vyas Assistant Director CARE Ratings Limited Phone: 079-40265665 E-mail: shachee.tripathi@careedge.in Foram Prakashchandra Dave Analyst CARE Ratings Limited Phone: 079-40265687 E-mail: foram.dave@careedge.in Riddhi Virenkumar Shah Associate Analyst CARE Ratings Limited E-mail: riddhi.shah@careedge.in |
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About us:

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