

Patspin India Limited

January 21, 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 March 11, 2020 placed the ratings of Patspin India Limited (PIL) under the issuer non cooperating category as PIL had not paid the surveillance fees for the rating exercise 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 January 13, 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 March 11, 2020 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 FY20, the company reported net loss of Rs.24 crore on total income of Rs.394 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:

[CARE's Policy on Default Recognition](#)

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

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, 2020, 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

*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	579.7	394.01
PBILDT	34.9	0.09
PAT	-0.30	-24.01
Overall gearing (times)	16.64	NM
Interest coverage (times)	1.19	0.00

*A: Audited; NM: Not meaningful

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: Not Applicable

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

Annexure 1: Details of instruments/facilities

Name of the Instrument	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*

*Issuer did not cooperate; Based on best available information

Annexure 2: Rating History for 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	68.36	CARE D; ISSUER NOT COOPERATING*	-	1) CARE D; ISSUER NOT COOPERATING* (11-Mar-20) 2) CARE D (25-Nov-19) 3) CARE D (04-Apr-19)	-	1) CARE D (04-Dec-17)
2.	Fund-based - ST-EPC/PSC	ST	52.05	CARE D; ISSUER NOT COOPERATING*	-	1) CARE D; ISSUER NOT COOPERATING* (11-Mar-20)	-	1) CARE A4

						2)CARE D (25-Nov-19) 3)CARE A4 (04-Apr-19)		(04-Dec-17)
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* (11-Mar-20) 2)CARE D / CARE D (25-Nov-19) 3)CARE C; Stable / CARE A4 (04-Apr-19)	-	1)CARE C; Stable / CARE A4 (04-Dec-17)
4.	Non-fund-based - ST-Letter of credit	ST	58.25	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Mar-20) 2)CARE D (25-Nov-19) 3)CARE A4 (04-Apr-19)	-	1)CARE A4 (04-Dec-17)
5.	Fund-based - ST-Packing Credit in Indian rupee	ST	29.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Mar-20) 2)CARE D (25-Nov-19) 3)CARE A4 (04-Apr-19)	-	1)CARE A4 (04-Dec-17)
6.	Non-fund-based - ST-Bank Guarantees	ST	4.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Mar-20) 2)CARE D (25-Nov-19) 3)CARE A4 (04-Apr-19)	-	1)CARE A4 (04-Dec-17)

*Issuer did not cooperate; Based on best available information

Annexure 3: Complexity level of instruments rated for the company

Sr. No.	Name of the 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.

Contact us

Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

Analyst Contact

Name: Mr Naveen Kumar S

Mobile: 0422-4502399

Email: naveen.kumar@careratings.com

Relationship Contact

Name: Mr. V Pradeep Kumar

Contact no. : 044 2850 1001

Email ID: pradeep.kumar@careratings.com

About CARE Ratings:

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