

Kothari Processors Private Limited

July 27, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	7.38	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable; (Double B Minus; Outlook: Stable)
Total Bank Facilities	7.38 (Rs. Seven Crore and Thirty-Eight Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated May 24, 2021, placed the rating(s) of Kothari Processors Private Limited (KPPL) under the 'issuer non-cooperating' category as KPPL 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. KPPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 09, 2022, April 19, 2022, April 30, 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).

The ratings assigned to the bank facilities of KPPL have been revised on account of non-availability of requisite information. The ratings further consider decline in operating income and overall profitability during FY21 over FY20.

Detailed description of the key rating drivers

Please refer to PR dated [May 24, 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

KPPL was promoted by three college friends, Mr. Hari Mohan Kothari, Mr. Sanjay Kumar Sarda and Mr. Manish Periwal having equal stake in the company. The company is engaged in the business of dyeing and bleaching of cloth. The operations in the company began from the year 2007. The total dyeing capacity of the company is 7,500 MTPA with 22 dyeing machines of different capacities. In 2017, the company also set up a printing machine for printing on cloth. The day-to-day affairs of the company is managed by Mr. Hari Mohan Kothari. The Board of directors comprise of four directors including three promoter directors and one non-executive director.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23(Prov.)
Total operating income	64.76	53.61	NA	NA
PBILDT	9.64	8.03	NA	NA
PAT	1.24	1.09	NA	NA
Overall gearing (times)	0.52	0.39	NA	NA
Interest coverage (times)	4.55	4.49	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: Not Applicable

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-Term Loan (Proposed)		-	-	-	0.38	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	5.50	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee		-	-	-	1.50	CARE B+; Stable; 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 (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-Term Loan	LT	0.38	CARE B+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (24-May-21)	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (11-Mar-20)
2	Fund-based - LT-Cash Credit	LT	5.50	CARE B+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (24-May-21)	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (11-Mar-20)
3	Non-fund-based - LT-Bank Guarantee	LT	1.50	CARE B+; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (24-May-21)	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (11-Mar-20)

*Issuer did not cooperate; Based on best available information

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 Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT-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.

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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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