

Balkrishna Textile Private Limited

May 30, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	37.33	CARE BB; Stable; ISSUER NOT COOPERATING* (Double B; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB+; Stable; (Double B Plus; Outlook: Stable)
Short Term Bank Facilities	20.00	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4+; (A Four Plus)
Total Bank Facilities	57.33 (Rs. Fifty-Seven Crore and Thirty- Three Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated April 05, 2021, placed the rating(s) of Balkrishna Textile Private Limited (BTPL) under the 'issuer non-cooperating' category as BTPL 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. BTPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated February 19, 2022, March 01, 2022, March 11, 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 BTPL have been revised on account of non-availability of requisite information. The ratings also factored in decline in scale of operations, profitability, higher debt levels, deterioration in capital structure and debt coverage indicators during FY21.

Detailed description of the key rating drivers

Please refer to PR dated [April 05, 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

Ahmedabad based BTPL was promoted by late Mr. Chandulal Thakkar in August 1979 and presently it is being managed by his sons Mr Nitin Thakkar and Mr Ketan Thakkar. BTPL is engaged in processing of cotton fabric including designing, printing and processing of grey cloth which find application in women's clothing, scarves, suits and shirts for women, men and children. It also undertakes processing of fabric on job work basis. As on September 30, 2020, BTPL had an installed capacity to process 65 MMPA of grey fabric from its two processing units located at Ahmedabad, Gujarat.

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

Brief Financials (Rs. crore)	31-03-2020(A)	31-03-2021(A)	31-03-2022 (Prov.)
Total operating income	199.97	142.52	NA
PBILDT	14.91	8.63	NA
PAT	1.87	0.36	NA
Overall gearing (times)	1.29	1.83	NA
Interest coverage (times)	2.73	1.46	NA

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

Status of non-cooperation with previous CRA: CRISIL has moved the ratings assigned to the bank facilities of BTPL to 'Issuer Not Cooperating' category vide press release dated March 30, 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
Term Loan-Long Term		-	-	September 2025	20.33	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	20.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	17.00	CARE BB; Stable; 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	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Term Loan-Long Term	LT	20.33	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (05-Apr-21)	1)CARE BBB-; Stable (27-Jan-21)	1)CARE BBB; Negative (27-Jan-20)
2	Non-fund-based - ST-Letter of credit	ST	20.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+; ISSUER NOT COOPERATING* (05-Apr-21)	1)CARE A3 (27-Jan-21)	1)CARE A3 (27-Jan-20)
3	Fund-based - LT-Cash Credit	LT	17.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (05-Apr-21)	1)CARE BBB-; Stable (27-Jan-21)	1)CARE BBB; Negative (27-Jan-20)

*Issuer did not cooperate; Based on best available information

Annexure 3: Detailed explanation of covenants of the rated instrument / 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	Non-fund-based - ST-Letter of credit	Simple
3	Term Loan-Long Term	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 Ratings Ltd. 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**

Name – Mr. Mradul Mishra
Contact no. - +91-22-6754 3596
Email ID - mradul.mishra@careedge.in

Analyst Contact

Group Head Name - Shachee Nakul Vyas
Group Head Contact no.- 8511182592
Group Head Email ID - shachee.tripathi@careedge.in

Relationship Contact

Name -Deepak Purshottambhai Prajapati
Contact no. -9099028864
Email ID: deepak.prajapati@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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