

K P Industries

February 14, 2019

Rating

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Long-term Bank Facilities	9.69	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Total facilities	9.69 (Rupee Nine crore and Sixty Nine lakh only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 02, 2018, placed the rating(s) of K. P. Industries (KPI) under the 'issuer non-cooperating' category as KPI had failed to provide information for monitoring of the rating for the rating exercise as agreed to in its Rating Agreement. KPI continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated February 04, 2019, February 05, 2019, February 06, 2019 and February 07, 2019. 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 February 02, 2018, the following were the rating strengths and weaknesses:

Key Rating Weaknesses

Ongoing delay in debt servicing: KPI has been irregular in servicing its debt obligation due to weak liquidity position of the firm.

Analytical approach: Standalone

Applicable Criteria

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

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

About the firm

Established in the year 2009, Ahmedabad-based K.P. Industries (KPI) is a partnership firm engaged in the processing of non-basmati rice. Key partners include Mr. Dhaval Prajapati and Mr. Atul Prajapati who manage the day to day operations. As on March 31, 2016, it had a total installed capacity of 69,120 Metric Tonnes per annum and operates through its sole manufacturing unit at Kheda.

(Rs in crore)

Brief Financials (Rs. crore)	FY15(A)	FY16 (A)
Total operating income	51.04	52.01
PBILDT	1.36	1.57
PAT	0.18	0.19
Overall gearing (times)	3.50	3.29
Interest coverage (times)	1.29	1.27

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Based on best available information

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable.

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

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.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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	-	-	July 2018	0.19	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Cash Credit	-	-	-	9.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; 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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	0.19	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (02-Feb-18) 2)CARE D (27-Oct-17)	1)CARE B; Stable (14-Feb-17) 2)Suspended (30-Dec-16)	1)CARE B (18-Aug-15)
2.	Fund-based - LT-Cash Credit	LT	9.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (02-Feb-18) 2)CARE D (27-Oct-17)	1)CARE B; Stable (14-Feb-17) 2)Suspended (30-Dec-16)	1)CARE B (18-Aug-15)

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