

K.P. Industries

April 30, 2020

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 14, 2019, placed the rating 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 April 10, 2020, April 14, 2020 and April 15, 2020. 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. The ratings on KPI's bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING*

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The rating assigned to the bank facilities of KPI factored in ongoing irregularity in debt servicing.

Detailed description of the key rating drivers

At the time of last rating on February 14, 2019 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](#)
- [Criteria on assigning Outlook to Credit Ratings](#)
- [CARE's Policy on Default Recognition](#)
- [CARE's methodology for manufacturing companies](#)
- [Financial ratios – Non-Financial Sector](#)

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.

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

*Based on best available information

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

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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 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	0.19	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-19)	1)CARE D; ISSUER NOT COOPERATING* (02-Feb-18) 2)CARE D (27-Oct-17)
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* (14-Feb-19)	1)CARE D; ISSUER NOT COOPERATING* (02-Feb-18) 2)CARE D (27-Oct-17)

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

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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