

Patspin India Limited

March 11, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	68.36 (reduced from 92.03)	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Short-term Bank Facilities	143.80 (reduced from 157.50)	CARE D; ISSUER NOT COOPERATING (Single D; ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Long/Short-term Bank Facilities	7.00	CARE D/ CARE D; ISSUER NOT COOPERATING (Single D/ Single D; ISSUER NOT COOPERATING)	Issuer not cooperating; Based on best available information
Total	219.16 (Rupees two hundred and nineteen crore and sixteen Lakh only)		

Details of instruments/facilities in Annexure 1

Detailed Rationale & Key Rating Drivers

Patspin India Limited (PIL) has not paid the surveillance fees for the rating exercise as agreed to in its rating agreement. In line with the extant SEBI guidelines, CARE's rating on of PIL'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 rating.

The ratings take into account the on-going delays in repayment of debt and instances of devolvement of letter of credit due to liquidity constraints.

Detailed description of the key rating drivers

Key Rating Weaknesses

Ongoing delays in debt servicing: During FY19, the company reported net loss of Rs.2.4 crore on total income of Rs.579 crore. On account of continuous losses over the years with inadequate cash accruals, there have been ongoing delays in servicing of term loans and instances of devolvement of Letter of Credit.

Analytical Approach: Standalone

Applicable criteria

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

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

[Criteria on assigning 'Outlook' and 'credit watch' to Credit Ratings](#)

[Criteria for Short Term Instruments](#)

[CARE's methodology for manufacturing companies](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology for Cotton textile Manufacturing](#)

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, 2018, the total capacity of PIL stood at 113,856 spindles.

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

*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	547	579.7
PBILDT	31.4	34.9
PAT	-4.3	-2.4
Overall gearing (times)	3.47	3.10
Interest coverage (times)	0.95	1.19

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	-	-	March 2022	68.36	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - ST-EPC/PSC	-	-	-	52.05	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - LT/ST-BG/LC	-	-	-	7.00	CARE D / CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Letter of credit	-	-	-	58.25	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - ST-Packing Credit in Indian rupee	-	-	-	29.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Bank Guarantees	-	-	-	4.50	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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	68.36	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (25-Nov-19) 2)CARE D (04-Apr-19)	-	1)CARE D (04-Dec-17)	1)CARE D (22-Feb-17)
2.	Fund-based - ST-EPC/PSC	ST	52.05	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (25-Nov-19) 2)CARE A4 (04-Apr-19)	-	1)CARE A4 (04-Dec-17)	1)CARE A4 (22-Feb-17)
3.	Non-fund-based - LT/ST-BG/LC	LT/ST	7.00	CARE D / CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D / CARE D (25-Nov-19) 2)CARE C; Stable / CARE A4 (04-Apr-19)	-	1)CARE C; Stable / CARE A4 (04-Dec-17)	1)CARE C; Stable / CARE A4 (22-Feb-17)
4.	Non-fund-based - ST-Letter of credit	ST	58.25	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (25-Nov-19) 2)CARE A4 (04-Apr-19)	-	1)CARE A4 (04-Dec-17)	1)CARE A4 (22-Feb-17)
5.	Fund-based - ST-Packing Credit in Indian rupee	ST	29.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (25-Nov-19) 2)CARE A4 (04-Apr-19)	-	1)CARE A4 (04-Dec-17)	1)CARE A4 (22-Feb-17)
6.	Non-fund-based - ST-Bank Guarantees	ST	4.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	1)CARE D (25-Nov-19) 2)CARE A4 (04-Apr-19)	-	1)CARE A4 (04-Dec-17)	1)CARE A4 (22-Feb-17)

*issuer did not cooperate; Based on best available information

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.

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