

July 17, 2023

Kapotex Industries Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/Term Loan	1.49	1.49	[ICRA]BB(Stable); withdrawn
Short term - Fund Based /Working Capital limits	5.00	5.00	[ICRA]A4+; withdrawn
Short term - Nonfund based – Working capital facilities	7.10	7.10	[ICRA]A4+; withdrawn
Long Term / short Term – Unallocated limits	0.69	0.69	[ICRA]BB(Stable)/[ICRA]A4+; withdrawn
Total	14.28	14.28	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of **Kapotex Industries Private Limited** at the request of the company and based on the No Objection Certificate (NOC) received from the bankers, and in accordance with ICRA's policy on withdrawal. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings Rating Methodology for Entities in the Textiles Industry - Spinning
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the rated entity

About the company

Kapotex Industries Private Limited (KIPL) manufactures and exports woollen yarn (worsted spun yarn and carded yarn). The company's products are primarily used in the manufacturing of rugs, carpets and floor covering. Incorporated on May 29, 2008 by Mr. Rajiv Kapur and Mr. Varun Kapur, the company is headquartered in Mumbai with its manufacturing facility in the Gujarat Industrial Development Corporation (GIDC) area of Valsad with an installed capacity of 1,000 MTPA. It also operates a separate unit for dyeing operations.

Key financial indicators (Audited):

Analytical Approach	FY2021	FY2022
Operating Income (Rs. crore)	16.6	26.2
PAT (Rs. crore)	1.9	4.9
OPBDITA/OI	24.3%	30.6%
PAT/OI	11.4%	18.7%
Total Outside Liabilities/Tangible Net Worth (times)	1.0	0.9
Total Debt/OPBDITA (times)	1.6	0.9
Interest Coverage (times)	5.5	13.6
Debt Service Coverage (times)	2.3	4.6

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortisation; DSCR: Debt Service Coverage Ratio; NA: Not Available

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

SN	Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the past 3 years					
			Amount Rated (Rs. crore)	Amount Outstanding* (Rs. crore)	Date & Rating in	Date & Rating in FY2023		Date & Rating in FY2022		Date & Rating in FY2021
					July 17, 2023	Dec 15, 2022	Dec 06, 2021	Oct 07, 2021	June 24, 2021	May 07, 2020
1	Term loans	Long-term	1.49	-	[ICRA]BB(Stable); Withdrawn	[ICRA]BB (Stable)	[ICRA]BB- (Stable)	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]B+ (Stable)
2	Working Capital Facilities	Short term	5.00	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A4	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	[ICRA]A4
3	Cash credit	Long term	-	-	-	-	[ICRA]BB- (Stable)	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]B+ (Stable)
4	Letter of Credit	Short Term	7.10	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A4	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	[ICRA]A4
5	Unallocated	Long Term/ Short Term	0.69	-	[ICRA]BB (Stable)/ [ICRA]A4+; Withdrawn	[ICRA]BB (Stable)/ [ICRA]A4+	[ICRA]BB- (Stable)/ [ICRA]A4	[ICRA]BB- (Stable) /[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB- (Stable)/ [ICRA]A4	[ICRA]B+ (Stable)/ [ICRA]A4

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term - Fund Based- Term Loan	Simple
Short term - Fund based	Simple
Short Term - Non-Fund Based	Very Simple
Long Term / Short Term – Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Term Loans	FY2021-FY2023	NA	FY2025-FY2027	1.49	[ICRA]BB(Stable); Withdrawn
-	Short term fund based	-	-	-	5.00	[ICRA]A4+; Withdrawn
-	Letter of Credit/ Bank Guarantee/Forward Contracts	-	-	-	7.10	[ICRA]A4+; Withdrawn
	Unallocated	-	-	-	0.69	[ICRA]BB (Stable)/[ICRA]A4+; Withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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