

December 11, 2023

Kanara Consumer Products Limited (erstwhile Kurlon Limited): Rating withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term loan	18.35	18.35	[ICRA]A, Rating Watch with Developing Implications; withdrawn
Total	18.35	18.35	

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Kanara Consumer Products Limited (erstwhile Kurlon Limited) at the request of the company and based on the 'No Dues Certificate' received from the banker, and in accordance with ICRA's policy on withdrawal. The key rating drivers, liquidity position, rating sensitivities and key financial indicators have not been captured as the rated instruments are being withdrawn.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 - Holding companies
Parent/Group support	Not applicable
Consolidation/Standalone*	For arriving at the rating, ICRA has considered the consolidated financials of Kanara Consumer Product Limited (erstwhile Kurlon Limited), Manipal Natural Private Limited (MNPL), Kurlon Enterprise Limited (along with its subsidiaries), Manipal Educational Foundation (MEF) and Kurlon Trading & Invest Management Private Limited (KTIMPL) given the managerial and financial linkages.

* Details are provided in Annexure II

About the company

Kanara Consumer Products Limited (erstwhile Kurlon Limited, KPCL) was incorporated in February 1962 as Karnataka Consumer Products Limited by Mr. T Ramesh U Pai. The company's name was changed to Kurlon Limited in 1995. It manufactured rubberised coir, foam and spring mattresses, foam products and home furnishings through its (erstwhile) subsidiary, Kurlon Enterprises Limited (KEL). The company's mattress and foam products businesses were transferred to KEL through a business transfer agreement, effective from April 01, 2014. The stake of Kanara Consumer Products Limited (88.47%) and its subsidiary Kurlon Trading and Invest Management Private Limited (KTIMPL, 6.19%) in KEL was sold to Sheela Foam Limited and the acquisition transaction was completed in October 2023. Currently, there are no operations in KCPL as on date.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2024)				Chronology of rating history for the past 3 years				
	Type	Amount rated (Rs. crore)	Amount outstanding as on Sep 30, 2023 (Rs. crore)	Date & rating in FY2024			Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020
				December 11, 2023	July 25, 2023	May 30, 2023			
1 Term loan	Long Term	18.35	-	[ICRA]A, Rating Watch with Developing Implications; withdrawn	[ICRA] A; Rating Watch with Developing Implications	[ICRA] A (Negative)	[ICRA] A (Stable)	[ICRA] A (Stable)	[ICRA] A (Stable)
2 Unallocated	Long Term	0.00	-	-	-	-	[ICRA] A (Stable)	[ICRA] A (Stable)	[ICRA] A (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Term loan	Simple

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	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan	March 2022	NA	FY2032	18.35	[ICRA]A, Rating Watch with developing implications; withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Kurlon Enterprise Limited ^	88.47%	Full Consolidation
Manipal Natural Private Limited	100%	Full Consolidation
Manipal Educational Foundation	NA	Full Consolidation*
Kurlon Trading & Invest Management Private Limited	100%	Full Consolidation

*Debt is guaranteed by KL; ^No longer a subsidiary w.e.f. Oct-2023.

ANALYST CONTACTS

Rajeshwar Burla

+91 40 4547 4829

rajeshwar.burla@icraindia.com

Neha Mittal

+91 124-4545 365

neha.mittal@icraindia.com

Anupama Reddy

+91 40 4547 4829

anupama.reddy@icraindia.com

Devansh Jain

+91 124 4545327

devansh.jain@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2023 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.