

September 12, 2023

Sri KPR Industries Limited: Long Term Rating downgraded based on best available information and Continues to remain under issuer Non-Cooperating category and short term rating Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Term Loan	1.40	1.40	[ICRA]C+; ISSUER NOT COOPERATING*; Downgraded from [ICRA]B-(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Cash Credit	9.00	9.00	[ICRA]C+; ISSUER NOT COOPERATING*; Downgraded from [ICRA]B-(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non-Fund Based-Others	6.00	6.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating Continues to remain under 'Issuer Not Cooperating' category
Short Term-Unallocated limits	4.37	4.37	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	20.77	20.77	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgraded on account of Net Loss registered in Q1FY24 due to sharp decline in operating revenue.

The rating is based on limited information on the entity's performance since the time it was last rated on February 23, 2023. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities [Click Here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Sri KPR Industries Limited was incorporated in 1988 as Bhagyanagar Engineering Industries Limited and had been involved in manufacturing of PVC pipes in the past. Sri Venkateswara Pipes Limited (SVPL) has been merged with KPR Industries Limited w.e.f. April 01, 2012. Incorporated in 1995, SVPL had been engaged in the manufacturing and selling of Asbestos Cement Pressure Pipes (A.C). These pipes are mainly used for drinking water supply in rural and urban areas, in lift irrigation schemes and for disposal of industrial effluent in various factories. SVPL started manufacturing A.C. Pressure Pipes, with an installed capacity of 20,000 TPA, at Gundla Pochampalli Village, Medchal Mandal in Rangreddy district of Andhra Pradesh. Further in 2005-06, SVPL expanded its facility and commissioned its second plant to reach the present capacity of 50,000 MTPA. As a step towards forward integration, SVPL floated its 100% subsidiary Sri KPR Infra & Projects Ltd. in 2007-08, which is a construction company engaged in execution of drinking water supply and lift irrigation projects of various government departments.

Key financial indicators (Audited)

Analytical Approach	Standalone	
	FY2022	FY 2023
Operating Income (Rs. crore)	5.01	4.98
PAT (Rs. crore)	1.25	0.89
OPBDIT/OI (%)	55.9%	47.1%
RoCE (%)	1.7%	1.3%
Total Debt/OPBDIT (times)	0.19	0.05
Interest Coverage (times)	-	-
TOL/TNW	0.08	0.06

Source:

Status of non-cooperation with previous CRA:

CRA	Status	Date of release
India Ratings	IND B+/IND A4; ISSUER NOT COOPERATING	Jul 07, 2020

Any other information: None

Rating history for past three years

S.NO	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Nov 30, 2020 (Rs. crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					12-Sep-2023	23-Feb-2023	17- Mar-2022	25-Jan-2021
1	Term Loan	Long Term	1.40	-	[ICRA]C+; ISSUER NOT COOPERATING	[ICRA]B-(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING
2	Cash Credit	Long Term	9.00	-	[ICRA]C+; ISSUER NOT COOPERATING	[ICRA]B-(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING
3	Non-Fund Based limits	Short Term	6.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING
4	Unallocated limits	Short Term	4.37	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Cash Credit	Simple
Non-Fund Based limits	Very Simple
Unallocated limits	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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Long Term-Fund Based-Term Loan	-	-	-	1.40	[ICRA]C+; ISSUER NOT COOPERATING
NA	Long Term-Fund Based-Cash Credit	-	-	-	9.00	[ICRA]C+; ISSUER NOT COOPERATING
NA	Short Term-Non-Fund Based-Others	-	-	-	6.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Short Term-Unallocated limits	-	-	-	4.37	[ICRA]A4; ISSUER NOT COOPERATING

Source: Sri KPR Industries Limited

Annexure-2: List of entities considered for consolidated analysis – Not Applicable

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About ICRA Limited:

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