



**Press Release**  
**PAPCON INDORE PRIVATE LIMITED**  
**September 26, 2023**

**Rating Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Loan Ratings</b>	8.10	ACUITE B+   Reaffirmed   Issuer not co-operating*	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	8.10	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B Plus**) on the Rs. 8.10 Crore bank facilities of Papcon Indore Private Limited. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

**About the Company**

Incorporated in 1984, Papcon Indore Private Limited (PIPL) was engaged in the manufacturing of paper till 2002 under the leadership of Purshottamdas Pasari. Subsequently, in 2003, the line of business was changed to garment manufacturing under the leadership of Ajay Pasari. The company began undertaking contract manufacturing on job work basis for clients. The manufacturing unit of the company located in Indore and has a capacity of producing 5, 00,000 garments per month. For FY2014- 15, PIPL reported profit after tax (PAT) of Rs.0.17 crore, on operating income of Rs.8.91 crore, as compared with PAT of Rs.0.20 crore on operating income of Rs.5.44 crore in the previous year.

**Non-cooperation by the issuer/borrower:**

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**Limitation regarding information availability:**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**Rating Sensitivity**

"No information provided by the issuer / available for Acuite to comment upon."

**All Covenants**

Not Applicable

**Liquidity Position**

"No information provided by the issuer / available for Acuite to comment upon."

**Outlook**

Not Applicable

**Other Factors affecting Rating**

Not Applicable

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	59.32	70.35
PAT	Rs. Cr.	0.62	0.72
PAT Margin	(%)	1.05	1.02
Total Debt/Tangible Net Worth	Times	3.56	4.05
PBDIT/Interest	Times	1.90	2.43

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Jun 2022	Cash Credit	Long Term	2.50	ACUITE B+ ( Issuer not co-operating*)
	Term Loan	Long Term	5.60	ACUITE B+ ( Issuer not co-operating*)
30 Mar 2021	Term Loan	Long Term	5.60	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	2.50	ACUITE B+ (Issuer not co-operating*)
06 Jan 2020	Cash Credit	Long Term	2.50	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	5.60	ACUITE B+ (Issuer not co-operating*)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Complexity Level</b>	<b>Quantum (Rs. Cr.)</b>	<b>Rating</b>
Bank of Maharashtra	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.50	ACUITE B+   Reaffirmed   Issuer not co- operating*
Bank of Maharashtra	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.60	ACUITE B+   Reaffirmed   Issuer not co- operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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