

Rating Rationale

8 June 2023

Texmo Pipes & Products Ltd.

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of Rs. 122.20 Crs. of Texmo Pipes & Products Ltd. based on best available information and continues the rating under ISSUER NOT CO-OPERATING* category.

Particulars

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous (23 Feb 2023)	Present
Fund Based	66.20	66.20	Long Term	BWR BBB /Stable ISSUER NOT COOPERATING*/ Downgraded^	BWR BB +/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded
Non Fund Based	56.00	56.00	Short Term	BWR A3+ ISSUER NOT COOPERATING*/ Downgraded^	BWR A4 + Continues to be in ISSUER NOT COOPERATING* category/Downgraded
Grand Total	122.20	122.20	(Rupees One Hundred Twenty Two Crores and Twenty lakhs Only)		

#Please refer to BWR website www.brickworkratings.com for definition of the ratings

**Details of Bank Loan facilities, consolidation or instruments are provided in Annexure

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

RATING ACTION / OUTLOOK

BWR downgrades the rating to BWR BB+(Stable) and BWR A4+ from BWR BBB (Stable) and BWR A3+ and continues the ratings under ISSUER NOT COOPERATING* category for the bank loan facilities of Texmo Pipes & Products Ltd. based on the best available information as the issuer did not cooperate.

Brickwork Rating (BWR) has downgraded the long-term rating of Texmo Pipes & Products Ltd. to BWR BB+(Stable)/ ISSUER NOT COOPERATING* and the short-term rating to BWR A4+ / ISSUER NOT COOPERATING* based on the best available information as the issuer did not cooperate. Despite regular follow-ups, the company continues to be non-cooperative and has not provided the NDS and the required information to BWR for surveillance of the rating. In the absence of adequate information from the company, BWR is unable to assess the company's current financial and business performance causing uncertainty on its future performance and business profile on account of non-availability of the information regarding its business plans and operations. The company's financial results of Q4FY23 and FY 22-23 available in public domain show substantial deterioration in the profitability of the company in FY 22-23 as compared to FY 21-22 at consolidated level.

Reasons for non-cooperation

BWR followed up with the company via emails to get updates on the current happenings in the company. The company has not provided the information required to execute the surveillance in Feb 2023 and thereafter and continues to be non-cooperative.

LIMITATIONS OF THE RATING

The lenders/investors may note to exercise due caution while using the above ratings which mention “Issuer Not Cooperating” since the ratings lack any projections or a forward-looking component as it is arrived based on the best available information on the company without any management interaction. Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

ABOUT THE ENTITY

Texmo Pipes & Products Limited (TPPL) is a public limited company and was incorporated on 3rd July 2008. TPPL is engaged in manufacturing PVC Pipes, UPVC Casing Pipes, Plumbing Pipes, SWR Pipes, HDPE Pipes, Permanently Lubricated Pipes and HDPE Sprinkler Pipes, Moulded Fittings, etc. Manufacturing facility of TPPL is located in Burhanpur, Madhya Pradesh. Mrs. Rashmi Devi Agrawal is the Chairperson & Whole Time Director of the company. Mr. Sanjay Kumar Agrawal is the Managing Director of the company. TPPL is listed on NSE & BSE. TPPL has a wholly owned subsidiary Tapti Pipes and Products Limited FZE, UAE.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Units	FY 21-22 (Audited)	FY 22-23 (Audited)
Operating Revenue	Rs.Crs.	564.42	638.44
EBITDA	Rs.Crs.	35.39	40.88
PAT	Rs.Crs.	14.61	1.13
Tangible Net Worth	Rs.Crs.	185.34	186.84
Total Debt/TNW	Times	0.13	0.10
Current Ratio	Times	2.03	2.12

KEY FINANCIAL INDICATORS (Consolidated)

Key Parameters	Units	FY 21-22 (Audited)	FY 22-23 (Audied)
Operating Revenue	Rs.Crs.	564.42	638.44
EBITDA	Rs.Crs.	35.35	-32.01
PAT	Rs.Crs.	14.23	-71.76
Tangible Net Worth	Rs.Crs.	243.05	186.84
Total Debt/TNW	Times	0.10	0.10
Current Ratio	Times	2.02	2.12

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY

NA

ANY OTHER INFORMATION

NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

Facilities		Current Rating (2023)		2023 (History)		2022		2021		2020	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	66.20	BWR BB+/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	23Feb 2023	BWR BBB Stable (ISSUER NOT COOPERATING*/Downgraded^)	NA	NA	24Nov 2021	BWR BBB+ Stable (Upgrade)	03Feb 2020	BWR BBB Stable (Reaffirmation)
		0.00	NA	NA	NA	NA	NA	NA	NA	07Dec 2020	BWR BBB Stable (Reaffirmation)
Non Fund Based	ST	56.00	BWR A4+ (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	23Feb 2023	BWR A3+ (ISSUER NOT COOPERATING*/Downgraded^)	NA	NA	24Nov 2021	BWR A2 (Upgrade)	03Feb 2020	BWR A3 (Reaffirmation)
		0.00	NA	NA	NA	NA	NA	NA	NA	07Dec 2020	BWR A3 (Reaffirmation)
Grand Total		122.20	(Rupees One Hundred Twenty Two Crores and Twenty lakhs Only)								



COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com / download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors' queries can be sent to info@brickworkratings.com.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)
- [What Constitutes Non-Cooperation](#)

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Texmo Pipes & Products Ltd.

**ANNEXURE-I
Details of Bank Facilities rated by BWR**

SL.No.	Name of the Bank/Lender	Type Of Facilities	Long Term(Rs.Crs.)	Short Term(Rs.Crs.)	Total(Rs.Crs.)
1	Bank of Baroda	Cash Credit - Sanctioned	7.00	–	7.00
2	Bank of Baroda	Bank Guarantee - Sanctioned	–	7.00	7.00
3	Bank of Baroda	Letter of Credit - Sanctioned	–	10.00	10.00
4	Central Bank of India	Letter of Credit - Sanctioned	–	9.00	9.00
5	Central Bank of India	Bank Guarantee - Sanctioned	–	5.00	5.00
6	Central Bank of India	Cash Credit - Sanctioned	6.00	–	6.00
7	Central Bank of India	Term Loan - Sanctioned	1.20	–	1.20
8	HDFC Bank	Term Loan - Sanctioned	1.10	–	1.10
9	Punjab National Bank	Term Loan - Sanctioned	18.00	–	18.00
10	Punjab National Bank	Cash Credit - Sanctioned	7.00	–	7.00
11	Punjab National Bank	Bank Guarantee - Sanctioned	–	5.00	5.00
12	Punjab National Bank	Letter of Credit - Sanctioned	–	5.00	5.00
13	Punjab National Bank	Term Loan - Sanctioned	3.50	–	3.50
14	State Bank Of India (SBI)	Common Covid Emergency Line of Credit (CCECL) - Sanctioned	2.40	–	2.40
15	State Bank Of India (SBI)	Letter of Credit - Sanctioned	–	10.00	10.00
16	State Bank Of India (SBI)	Bank Guarantee - Sanctioned	–	5.00	5.00
17	State Bank Of India (SBI)	Cash Credit - Sanctioned	20.00	–	20.00
Total			66.20	56.00	122.20
TOTAL (Rupees One Hundred Twenty Two Crores and Twenty lakhs Only)					

ANNEXURE-III

List of entities consolidated

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Tapti Pipes and Products Limited FZE, UAE	100	100	Consolidation

Print and Digital Media

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