

December 11, 2023

## Kanara Consumer Products Limited (erstwhile Kurlon Limited): Rating withdrawn

### Summary of rating action

Instrument <sup>^</sup>	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Long-term – Fund-based – Term loan	18.35	18.35	[ICRA]A, Rating Watch with Developing Implications; withdrawn
<b>Total</b>	<b>18.35</b>	<b>18.35</b>	

<sup>^</sup>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ICRA has withdrawn the rating assigned to the bank facilities of Kanara Consumer Products Limited (erstwhile Kurlon Limited) at the request of the company and based on the 'No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position, rating sensitivities and key financial indicators have not been captured as the rated instruments are being withdrawn.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	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy on withdrawal of Credit Ratings</a> <a href="#">Rating Methodology - Holding companies</a>
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	February 15, 2022	January 07, 2021	November 08, 2019
1 <b>Term loan</b>	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 <b>Unallocated</b>	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.

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