

## Press Release

**K M S Spinners**

March 08, 2019



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 8.25 Cr. #
<b>Long Term Rating</b>	ACUITE B Issuer not co-operating*

# Refer Annexure for details

\* The issuer did not co-operate; Based on best available information.

Acuité has reviewed long-term rating of '**ACUITE B**' (**read as ACUITE B**) on the Rs. 8.25 crore bank facilities of K M S Spinners (KMSS). This rating is now an indicative rating and is based on best available information.

KMSS was established in 2015 by Mr. Mani and Mr. S Sedhuram (Managing Partners) as a partnership firm in Coimbatore (Tamil Nadu). The firm started manufacturing operations in November 2016. The company produces open ended cotton yarns, used in the manufacture of t-shirts, shirts and grey fabrics. The firm has installed 8 open-end spinning machines with production capacity of 1,200 tons per annum. The firm's clients are ginning and weaving mills mainly located across Palladam, Palayam, Tirupur and Srinivasam districts.

#### Non-cooperation by the issuer/borrower

Acuité 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 due date.

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

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

#### 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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

#### About the Rated Entity - Key Financials

	Unit	FY17 (Actual)
Operating Income	Rs. Cr.	2.70
EBITDA	Rs. Cr.	0.20
PAT	Rs. Cr.	-0.77
EBITDA Margin	(%)	7.59
PAT Margin	(%)	-28.46
ROCE (%)	(%)	-7.58
Total Debt/Tangible Net Worth	Times	2.18
PBDIT/Interest	Times	0.64
Total Debt/PBDIT	Times	37.85
Gross Current Assets (Days)	Days	290

### Status of non-cooperation with previous CRA (if applicable)

None

### Any other information

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

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
27-Dec-2017	Cash Credit	Long Term	2.25	ACUITE B / Stable (Assigned)
	Term Loan	Long Term	6.00	ACUITE B / Stable (Assigned)

### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.25	ACUITE B Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE B Issuer not co-operating*

\*The issuer did not co-operate; Based on best available information.

### Contacts

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### About Acuité Ratings & Research:

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