

Press Release

K M S Spinners

August 29, 2020

Rating Update



Total Bank Facilities Rated*	Rs.9.36 Cr. #
Long Term Rating	ACUITE B (Downgraded from ACUITE B+ / Stable) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE B**' (read as **ACUITE B**) from '**ACUITE B+**' (Read as **ACUITE B Plus**) on the Rs.9.36 crore bank facilities of K M S Spinners. This rating is now an indicative rating and is based on the best available information.

KMS Spinners 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 firm produces open-ended cotton yarns, used in the manufacture of t-shirts, shirts and grey fabrics. The firm has a production capacity of 200 tons per Month. The firm's clients are weaving mills mainly located across Palladam, Palayam, Tirupur district.

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 the due date.

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

Applicable Criteria

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

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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

The rated entity has not shared the latest financial statements despite repeated requests.

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

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
21-Jun-2019	Cash Credit	Long Term	2.25	ACUITE B+/ Stable (Upgraded)
	Cash Credit	Long Term	1.25	ACUITE B+/ Stable (Assigned)
	Term Loan	Long Term	5.86	ACUITE B+/ Stable (Upgraded)
08-Mar-2019	Cash Credit	Long Term	2.25	ACUITE B (Indicative)
	Term Loan	Long Term	6.00	ACUITE B (Indicative)
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/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.25	ACUITE B (Downgraded from ACUITE B+ / Stable) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.25	ACUITE B (Downgraded from ACUITE B+ / Stable) Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	5.86	ACUITE B (Downgraded from ACUITE B+ / Stable) Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,200 credit 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 Mumbai.

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