

## Press Release

Sri Kannapiran Mills Limited

February 14, 2020

### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs. 82.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB+ Downgraded; Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ Downgraded; Issuer not co-operating*

# Refer Annexure for details

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

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and the Short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.82.00 crore bank facilities of SRI KANNAPIRAN MILLS LIMITED (SKML). This rating is now an indicative rating and is based on best available information.

SKML was incorporated as a public limited company in 1946. The company is currently managed by Mr. KG Baalakrishnan. Located in Coimbatore (Tamil Nadu), SKML's spinning units currently have a combined installed capacity of 55632 spindles to manufacture cotton yarn (combed and carded) of counts 6s to 100s. The company also manufactures open ended cotton yarn with counts 2s to 20s and has 6960 rotors.

#### 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 due date.

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

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-61.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). Acuite endeavoured 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.

#### 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)

None

#### Any other information

None

**Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
15-Nov-2018	Working Capital Demand Loan	Long Term	5.00	ACUITE BBB- / Stable (Assigned)
	Cash Credit	Long Term	9.50	ACUITE BBB- / Stable (Assigned)
	Bill Discounting	Short Term	6.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	21.70	ACUITE BBB- / Stable (Assigned)
	Working Capital Demand Loan	Long Term	3.00	ACUITE BBB- / Stable (Assigned)
	Bill Discounting	Short Term	1.20	ACUITE A3 (Assigned)
	Cash Credit	Long Term	4.00	ACUITE BBB- / Stable (Assigned)
	Term Loan	Long Term	1.13	ACUITE BBB- / Stable (Assigned)
	Cash Credit	Long Term	10.50	ACUITE BBB- / Stable (Assigned)
	Bill Discounting	Short Term	1.80	ACUITE A3 (Assigned)
	Term Loan	Long Term	1.79	ACUITE BBB- / Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.38	ACUITE BBB- / Stable (Assigned)
	Letter of Credit	Short Term	7.50	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	3.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	0.20	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	4.50	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	0.30	ACUITE A3 (Assigned)

### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB+ Downgraded; Issuer not co-operating* (from ACUITE BBB-/ Stable)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.50	ACUITE BB+ Downgraded; Issuer not co-operating* (from ACUITE BBB-/ Stable)
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE A4+ Downgraded; Issuer not co-operating* (from ACUITE A3)
Term Loan	Not Applicable	Not Applicable	Not Applicable	21.70	ACUITE BB+ Downgraded; Issuer not co-operating* (from ACUITE BBB-/ Stable)
Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB+ Downgraded; Issuer not co-operating* (from ACUITE BBB-/ Stable)
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	1.20	ACUITE A4+ Downgraded; Issuer not co-operating* (from ACUITE A3)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB+ Downgraded; Issuer not co-operating* (from ACUITE BBB-/ Stable)
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.13	ACUITE BB+ Downgraded; Issuer not co-operating* (from ACUITE BBB-/ Stable)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.50	ACUITE BB+ Downgraded; Issuer not co-operating* (from ACUITE BBB-/ Stable)
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	1.80	ACUITE A4+ Downgraded; Issuer not co-operating* (from ACUITE A3)
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.79	ACUITE BB+ Downgraded; Issuer not co-operating* (from ACUITE BBB-/ Stable)
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.38	ACUITE BB+ Downgraded; Issuer not co-operating* (from ACUITE BBB-/ Stable)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE A4+ Downgraded; Issuer not co-operating* (from ACUITE A3)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4+ Downgraded; Issuer not co-operating* (from ACUITE A3)

Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4+ Downgraded; Issuer not co-operating* (from ACUITE A3)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.20	ACUITE A4+ Downgraded; Issuer not co-operating* (from ACUITE A3)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE A4+ Downgraded; Issuer not co-operating* (from ACUITE A3)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.30	ACUITE A4+ Downgraded; Issuer not co-operating* (from ACUITE A3)

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

### Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head - Corporate and Infrastructure Sector Rating Tel: 022 49294041 <a href="mailto:aditya.gupta@acuите.in">aditya.gupta@acuите.in</a></p> <p>Simranjeet Kaur Analyst - Rating Operations Tel: 02249294052 <a href="mailto:simranjeet.kaur@acuите.in">simranjeet.kaur@acuите.in</a></p>	<p>Varsha Bist Manager - Rating Desk Tel: 022 49294011 <a href="mailto:rating.desk@acuите.in">rating.desk@acuите.in</a></p>

### About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings 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 6,000 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.