

Press Release

Sri Kannapiran Mills Limited

February 14, 2020



Rating Update

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

Refer Annexure for details

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

Acuité 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

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/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). 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)

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.

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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.

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