

**Press Release**

**Kannappan Alloy And Steel Company Private Limited**

**January 06, 2022**



**Rating Downgraded, Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Loan Ratings</b>	6.00		ACUITE A4+   Reaffirmed   Issuer not co-operating*
<b>Bank Loan Ratings</b>	13.08	ACUITE BB   Downgraded   Issuer not co-operating*	
<b>Total</b>	19.08	-	-

**Rating Rationale**

Acuite has downgraded the long-term rating to '**ACUITE BB' (read as double B)** from '**ACUITE BB+** (read as **ACUITE double B plus**) and reaffirmed the short term rating of '**ACUITE A4+** ' (read as **ACUITE A four plus**) on the Rs. 19.08 crore bank facilities of Kannappan Alloy and Steel Company Private Limited(KAASCPL). The rating is flagged as "Issuer Not-Cooperating" on account of information risk .

**About the Company**

Incorporated in 2014, Kannappan Alloy and Steel Company Private Limited (KAASCOL) is engaged in manufacturing of MS billets of FE 500D quality. The day to day operations are managed by the Managing Director, Mr. Thirumalaiswamy Kannappan who has experience of over three decades in steel industry. He acquired experience of more than 2 decades in the scrap trading business and went on to promote KISCOL in 2005 which is the flagship company of the group. Director, Mrs. Pushpavalli who takes care of day to day activities of overall group especially finance and administration and Mr. Kannappan Pushpavalli Thirumalai Raj who actively looks after day to day affairs production, supervision and marketing aspects of the company. The company has a manufacturing unit in Tirupur, Palladum with capacity of 24000 metric tonnes per annum.

**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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**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 endeavored 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 ratings based.

**Rating Sensitivities**

"No information provided by the issuer / available for Acuite to comment upon."

## Material Covenants

None.

## Liquidity Indicators

"No information provided by the issuer / available for Acuite to comment upon."

## Outlook

None.

## Other Factors affecting Rating

None.

## 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

None.

## Any other information

None.

## Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

## Note on Complexity Levels of the Rated Instrument

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

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Oct 2020	Proposed Bank Facility	Long Term	1.24	ACUITE BB+   Stable (Reaffirmed)
	Cash Credit	Long Term	8.50	ACUITE BB+   Stable (Reaffirmed)
	Term Loan	Long Term	0.79	ACUITE BB+   Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.55	ACUITE BB+   Stable (Assigned)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed)
30 Sep 2020	Term Loan	Long Term	0.79	ACUITE BB+   Stable (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed)
	Proposed Bank Facility	Long Term	1.24	ACUITE BB+   Stable (Reaffirmed)
	Cash Credit	Long Term	8.50	ACUITE BB+   Stable (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Assigned)

19 Feb 2019	Cash Credit	Long Term	8.50	ACUITE BB+   Stable (Assigned)
	Proposed Bank Facility	Long Term	1.24	ACUITE BB+   Stable (Assigned)
	Term Loan	Long Term	0.79	ACUITE BB+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.50	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.24	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.79	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
State Bank of India	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	2.55	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )

## 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 8,850 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 Kanjurmarg, Mumbai.

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