



Press Release
Kanish Spinning Mill
February 07, 2024

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE BB Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 30.00 Crore bank facilities of Kanish Spinning Mill (KSM). The rating is now flagged as "Issuer Not-Cooperating" on account of information risk. Acuite is yet to receive the latest No Default Statement from the rated entity despite repeated requests and followups.

About the Company

Tamil Nadu based, Kanish Spinning Mill (KSPM) was established in 2007 as a partnership firm, by Mr. K. Chandrasekaran and Mrs. K. Shanthy. The firm is engaged in manufacturing of cotton yarn with a total installed capacity of 3323MTPA at its manufacturing unit located at Vellakovil, Tamil Nadu.

Unsupported Rating

Not applicable.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. 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, therefore, being 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 rating is based.

Rating Sensitivities

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

Liquidity Position

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

Outlook

Not applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	56.28	32.15
PAT	Rs. Cr.	1.90	1.19
PAT Margin	(%)	3.38	3.71
Total Debt/Tangible Net Worth	Times	2.71	1.08
PBDIT/Interest	Times	4.51	3.78

Status of non-cooperation with previous CRA

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Mar 2023	Term Loan	Long Term	10.14	ACUITE BB Stable (Assigned)
	Working Capital Demand Loan	Long Term	0.85	ACUITE BB Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BB Stable (Assigned)
	Covid Emergency Line.	Long Term	1.00	ACUITE BB Stable (Assigned)
	Covid Emergency Line.	Long Term	1.59	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	4.90	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	3.24	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	3.28	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE BB Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Covid Emergency Line.	02 Dec 2021	Not avl. / Not appl.	02 Nov 2024	Simple	1.59	ACUITE BB Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Covid Emergency Line.	30 Jun 2020	Not avl. / Not appl.	29 Jun 2025	Simple	1.00	ACUITE BB Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Term Loan	15 Sep 2021	Not avl. / Not appl.	17 Apr 2029	Simple	10.14	ACUITE BB Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Term Loan	24 Jun 2022	Not avl. / Not appl.	29 Mar 2029	Simple	4.90	ACUITE BB Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Term Loan	31 Mar 2018	Not avl. / Not appl.	21 Mar 2026	Simple	3.24	ACUITE BB Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Term Loan	19 Aug 2020	Not avl. / Not appl.	21 Feb 2028	Simple	3.28	ACUITE BB Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.85	ACUITE BB Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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