

Kandagiri Spinning Mills Limited

November 18, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	30.85	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	31.85 (₹ Thirty-One Crore and Eighty-Five Lakhs Only)		
Fixed Deposit	14.01	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Medium Term Instruments	14.01 (₹ Fourteen Crore and One Lakhs Only)		

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; Based on best available information

Detailed rationale and key rating drivers

CARE Ratings Ltd. had vide its press release dated November 03, 2021 placed the ratings of Kandagiri Spinning Mills Limited (KSM) under the issuer non cooperating category as the company has not paid the surveillance fees for the rating exercise as agreed in its rating agreement. KSM continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated October 12, 2022. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which, however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

At the time of last rating on November 03, 2021 the following were the rating strength and weakness (updated for the information available from stock exchange)

Key Rating Weaknesses

Weak financial performance

The operating income continues to be weak at Rs.3.19 crore in FY22 as against Rs.2.54 crore in FY21. The company reported operating income of Rs.0.47 crores till H1FY23.

Analytical approach : Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the company

Kandagiri Spinning Mills Ltd (KSML) is part of Salem (Tamil Nadu) based "Sambandam Group" and was engaged in textile spinning with an aggregate capacity of 27,296 spindles till March 31, 2019 spread among two units which could produce around 25 Tons of Yarn per day. However, during FY20, the company has sold the spinning plant and machinery and ceased the yarn production activity and has let out the immovable property for lease and the company receives the lease rent receivables as its income.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Brief Financials (₹ crore)	FY21 (A)	FY22 (A)	H1FY23(UA)
Total operating income	2.54	3.19	0.47
PBILDT	-0.48	-0.28	0.44
PAT	-0.94	0.28	0.17
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	NM	NM	1.37

A: Audited, UA: Un-audited, NM- Not meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fixed Deposit		-	-	1-3 years	14.01	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	22.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	May 2022	8.85	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	0.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	0.50	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Rating History			
			Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	8.85	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Nov-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Sep-20)	1)CARE D (04-Sep-19)
2	Non-fund-based - ST-BG/LC	ST	0.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Nov-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Sep-20)	1)CARE D (04-Sep-19)
3	Fund-based/Non-fund-based-LT/ST	LT/ST*	-	-	-	-	-	1)Withdrawn (04-Sep-19)
4	Fund-based - LT-Cash Credit	LT	22.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Nov-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Sep-20)	1)CARE D (04-Sep-19)

5	Non-fund-based - ST-Bank Guarantee	ST	0.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (03-Nov-21)	1)CARE D; ISSUER NOT COOPERATING* (23-Sep-20)	1)CARE D (04-Sep-19)
6	Fixed Deposit	LT	14.01	CARE D; ISSUER NOT COOPERATING*	1)CARE D; ISSUER NOT COOPERATING* (22-Jun-22)	1)CARE D (FD); ISSUER NOT COOPERATING* (03-Nov-21)	1)CARE D (FD); ISSUER NOT COOPERATING* (23-Sep-20)	1)CARE D (FD) (04-Sep-19)

*Long term/Short term.

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities : Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fixed Deposit	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - ST-Bank Guarantee	Simple
5	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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