

Kandagiri Spinning Mills Limited

January 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	30.85	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Fixed Deposit	14.01	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 11, 2024, 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 to in its Rating Agreement. KSM continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated November 26, 2024 and December 16, 2024. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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).

The rating takes into account the past delays in servicing of the debt obligations and weak financial performance of the company.

Detailed description of the key rating drivers

At the time of last rating on January 11, 2024 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.2.97 crore in FY24 as against Rs.4.48 crore in FY23. The company reported net loss of Rs.1.77 crore in FY24 as against net profit of Rs.1.53 crore in FY23.

Analytical approach: Standalone

Outlook: Not applicable

Applicable Criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

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)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	4.48	2.97	0.67
PBILDT	3.00	0.85	-0.11
PAT	1.53	-1.77	-0.74
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	2.27	0.36	-0.24

A: Audited; UA: Unaudited; NM: Not Meaningful; Note: 'these are latest available financial results'

Status of non-cooperation with previous CRA:

Not Applicable

Any other information:

Not Applicable

Rating History for last three years: Please refer Annexure-2

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

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 and Rating Outlook
Fixed Deposit		-	-	-	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 last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	8.85	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Jan-24)	1)CARE D; ISSUER NOT COOPERATING* (18-Nov-22)	1)CARE D; ISSUER NOT COOPERATING* (03-Nov-21)
2	Non-fund-based - ST-BG/LC	ST	0.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Jan-24)	1)CARE D; ISSUER NOT COOPERATING* (18-Nov-22)	1)CARE D; ISSUER NOT COOPERATING* (03-Nov-21)
3	Fund-based - LT-Cash Credit	LT	22.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Jan-24)	1)CARE D; ISSUER NOT COOPERATING* (18-Nov-22)	1)CARE D; ISSUER NOT COOPERATING* (03-Nov-21)
4	Non-fund-based - ST-Bank Guarantee	ST	0.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Jan-24)	1)CARE D; ISSUER NOT COOPERATING* (18-Nov-22)	1)CARE D; ISSUER NOT COOPERATING* (03-Nov-21)
5	Fixed Deposit	LT	14.01	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (11-Jan-24)	1)CARE D; ISSUER NOT COOPERATING* (18-Nov-22) 2)CARE D; ISSUER NOT COOPERATING* (22-Jun-22)	1)CARE D (FD); ISSUER NOT COOPERATING* (03-Nov-21)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure 4: Complexity level of instruments rated**

Sr. No.	Name of the 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: Lender Details

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

Note on the complexity levels of the rated instrument: CARE Ratings Ltd. 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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