

Press Release

Karnal Milk Foods Limited (KMFL)

28 February, 2018



Rating Update

Total Bank Facilities Rated*	Rs.19.00 Cr#
Long Term Rating (Indicative)	SMERA BBB- Issuer not co-operating*
Short Term Rating (Indicative)	SMERA A3+ Issuer not co-operating*

#Refer Annexure for details

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

SMERA has reviewed a long term rating of '**SMERA BBB-**' (read as **SMERA triple minus**) and short term rating of '**SMERA A3+**' (read as **SMERA A three plus**) to the above mentioned facilities of Karnal Milk Foods Limited. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA 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 SMERA's policies.

Applicable Criteria

- Manufacturing Entities: <https://www.smera.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>
- Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.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). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

Incorporated in 1991, Karnal Milk Foods Ltd (KMFL) is engaged in processing of milk into butter, ghee, Milk Powder, Whitener etc. KMFL is based out of Karnal (Haryana) and is promoted by Mr. Gian Prakash Gupta (Chairman), Mr. Vipin Gupta (Managing Director) and family.

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Rating History for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
16 Dec-2016	Cash Credit	Long Term	17.00	SMERA BBB-/Stable (Assigned, Suspension revoked)
	Bank Guarantee	Short Term	1.00	SMERA A3+ (Assigned, Suspension revoked)
	Letter of Credit	Short Term	1.00	SMERA A3+ (Assigned, Suspension revoked)
29 Aug-2016	Cash Credit	Long Term	17.00	SMERA BBB/Stable (Suspended)
	Bank Guarantee	Short Term	2.00	SMERA A3+ (Suspended)
23 Jun-2015	Cash Credit	Long Term	17.00	SMERA BBB/Stable (Assigned)
	Bank Guarantee	Short Term	2.00	SMERA A3+ (Assigned)

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Annexure – Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	NA	NA	NA	17.00	SMERA BBB- (Indicative)
Bank Guarantee	NA	NA	NA	1.00	SMERA A3+ (Indicative)
Letter of Credit	NA	NA	NA	1.00	SMERA A3+ (Indicative)

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smera.in.

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