

Press Release

Karnal Milk Foods Limited

May 29, 2019

Rating Update



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

#Refer Annexure for details

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

Acuité has reviewed the long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) to the Rs.19.00 crore bank facilities of Karnal Milk Foods Limited (KMFL). This rating is now an indicative rating and is based on best available information.

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

Non-cooperation by the issuer/borrower:

Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
28-Feb-2018	Cash Credit	Long Term	17.00	ACUITE BBB- Issuer not cooperating*
	Bank Guarantee	Short Term	1.00	ACUITE A3+ Issuer not cooperating*
	Letter of Credit	Short Term	1.00	ACUITE A3+ Issuer not cooperating*
16-Dec-2016	Cash Credit	Long Term	17.00	ACUITE BBB-/Stable (Assigned, Suspension revoked)
	Bank Guarantee	Short Term	1.00	ACUITE A3+ (Assigned, Suspension revoked)
	# Letter of Credit	Short Term	1.00	ACUITE A3+ (Assigned)
29-Aug-2016	Cash Credit	Long Term	17.00	ACUITE BBB- (Suspended)
	Bank Guarantee	Short Term	2.00	ACUITE A3+ (Suspended)

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

Both way fully interchangeability between bank guarantee and letter of credit

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	17.00	ACUITE BBB- Issuer not cooperating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A3 + Issuer not cooperating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A3+ Issuer not cooperating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*erstwhile SMERA Ratings 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 6,000 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 Mumbai.

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