

Press Release

Karnal Milk Foods Limited

February 18, 2021



Rating Update

Total Bank Facilities Rated*	Rs. 19.00 Cr.#
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

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

Acuite has downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and reviewed the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 19.00 crore bank facilities of Karnal Milk Foods Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Karnal Milk Foods Limited (KMFL) was incorporated in 1991 by Mr. Gian Prakash Gupta (Chairman), Mr. Vipin Gupta (Managing Director) and family is an AGMARK, BIS & ISI MARK certified company engaged in processing of milk into butter, ghee, Milk Powder, Whitener etc. and sells under the brand name of "Karan". The processing unit is in Karnal (Haryana). The company is mainly selling their products to clients like Britannia, ITC and Parle. Entire sale of the company is to corporate clients. The company is not engaged in the retailing of aforementioned milk products. The promoters of the company have more than three decades of experience in whole selling of milk products.

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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). 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.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity - Key Financials

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

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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
Dec 17, 2019	Cash Credit	Long Term	17.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
	Bank Guarantee	Short Term	1.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
May 29, 2019	Cash Credit	Long Term	17.00	ACUITE BBB- Issuer not co-operating*
	Letter of Credit	Short Term	1.00	ACUITE A3+ Issuer not co-operating*
	Bank Guarantee	Short Term	1.00	ACUITE A3+ Issuer not co-operating*
Feb 28, 2018	Cash Credit	Long Term	17.00	ACUITE BBB-/stable Issuer not co-operating*
	Letter of Credit	Short Term	1.00	ACUITE A3+ Issuer not co-operating*
	Bank Guarantee	Short Term	1.00	ACUITE A3+ Issuer not co-operating*

#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 BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuited.in Shubham Ghosh Analyst - Rating Operations Tel: 033-66201212 shubham.ghosh@acuited.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuited.in

About Acuite Ratings & Research:

Acuite Ratings & Research 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.

Disclaimer: An Acuite rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuite ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuite ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuited.in) for the latest information on any instrument rated by Acuite.