

Press Release

Vaidyanath Sahakari Sakhar Karkhana Limited (VSSKL)

08 March, 2018



Rating Reaffirmed

Total Bank Facilities Rated*	Rs. 270.00 Cr.
Long Term Rating	SMERA D
Short Term Rating	SMERA D

* Refer Annexure for details

Rating Rationale

SMERA has reaffirmed long-term rating of '**SMERA D**' (read as **SMERAD**) and short term rating of '**SMERA D**' (read as **SMERA D**) on the Rs. 19.10 crore bank facilities of Vaidyanath Sahakari Sakhar Karkhana Limited.

VSSKL was incorporated in 2006, by Late Mr. Gopinath Munde. The company is engaged in sugar manufacturing, distillery and cogeneration operations.

Key Rating Drivers

Strengths

- Long track record of operation**

Company is engaged in sugar manufacturing, distillery and cogeneration operations for more than a decade. Over the year company is able to create a healthy relation with its customer and suppliers, which support their business risk profile.

Weaknesses

- Delays in servicing debt obligation**

Company has been classified as non-performing assets (NPA) since 2017, due to irregularity in servicing of debt obligation.

Analytical Approach

SMERA has considered the standalone financial and business risk profile of the company.

About the Rated Entity - Key Financials

	Unit	FY16 (Actual)	FY15 (Actual)	FY14 (Actual)
Operating Income	Rs. Cr.	64.41	186.29	191.82
EBITDA	Rs. Cr.	0.38	(24.83)	(12.94)
PAT	Rs. Cr.	(42.03)	(32.90)	(15.42)
EBITDA Margin	(%)	0.58	(13.33)	(6.74)
PAT Margin	(%)	(65.25)	(17.66)	(8.04)
ROCE	(%)	(4.70)	(4.75)	6.50
Total Debt/Tangible Net Worth	Times	(9.19)	28.09	6.03
PBDIT/Interest	Times	(0.26)	(0.49)	0.14
Total Debt/PBDIT	Times	(38.89)	(27.02)	71.46
Gross Current Assets (Days)	Days	1226	456	420

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

NA

Any other information

NA

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
13-Dec-2016	Cash Credit	Long Term	INR 139.81	SMERA D (Assigned)
	Secured Overdraft	Long Term	INR 0.91	SMERA D (Assigned)
	Term Loan (Long Term)	Long Term	INR 66.51	SMERA D (Assigned)
	Term Loan (Short Term)	Short Term	INR 61.00	SMERA D (Assigned)
	Bank Guarantee	Short Term	INR 1.77	SMERA D (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	139.81	SMERA D (Reaffirmed)
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	0.91	SMERA D (Reaffirmed)
Term Loan (Long Term)	Not Applicable	Not Applicable	Not Applicable	66.51	SMERA D (Reaffirmed)
Term Loan (Short Term)	Not Applicable	Not Applicable	Not Applicable	61.00	SMERA D (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.77	SMERA D (Reaffirmed)

Contacts

Analytical	Rating Desk
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