

## Press Release

Vaidyanath Sahakari Sakhar Karkhana Limited

March 13, 2019



**Rating Reaffirmed**

<b>Total Bank Facilities Rated*</b>	Rs. 270.00 Cr.
<b>Long Term Rating</b>	ACUITE D
<b>Short Term Rating</b>	ACUITE D

\* Refer Annexure for details

### Rating Rationale

Acuité has reaffirmed long-term rating of '**ACUITE D (read as ACUITE D)**' and short term rating of '**ACUITE D (read as ACUITE D)**' to the Rs. 270.00 crore bank facilities of Vaidyanath Sahakari Sakhar Karkhana Limited (VSSL).

VSSL was set up as a co-operative society in 1996. Subsequently, the constitution was changed in 2006 to public limited by Mr. Gopinath Munde and at present, the company is managed by Mrs. Pankajatai Gopinathrao Munde. The company is engaged in sugar manufacturing, distillery and co-generation. The sugar plant and distillery unit are located at Parli Vaijnath (Maharashtra). Co-generation unit is fully operationalised with an installed capacity of 21MW. The installed capacity for sugar is 5000 TCD, 60 KLPD for distillery unit and 21-megawatt co-generation powerunit.

### Analytical Approach

Acuité has considered the standalone financial and business risk profile of VSSL to arrive at the rating.

### Key Rating Drivers

#### Strengths

- **Long track record of operations**

The company is engaged in sugar manufacturing, distillery and cogeneration operations for more than two decades. Over the years, the company was able to create healthy relations with its customer and suppliers, which supported their business risk profile.

#### Weaknesses

- **Delays in servicing debt obligations**

The company has been classified as non-performing assets (NPA) since 2017, due to irregularity in servicing of debt obligations and recently, the account was restructured.

#### About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	111.00	89.10	64.41
EBITDA	Rs. Cr.	-16.76	-8.21	0.38
PAT	Rs. Cr.	-37.56	-51.21	-42.03
EBITDA Margin	(%)	-15.10	-9.22	0.58
PAT Margin	(%)	-33.84	-57.47	-65.25
ROCE	(%)	-4.45	-10.76	-4.70
Total Debt/Tangible Net Worth	Times	-14.58	60.56	-9.19
PBDIT/Interest	Times	-0.26	-0.94	-0.26
Total Debt/PBDIT	Times	-47.46	-9.91	-38.89
Gross Current Assets (Days)	Days	780	471	1226

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

Not Applicable

**Any other information**

None

**Applicable Criteria**

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

**Note on complexity levels of the rated instrument**

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

**Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
08-Mar-2018	Cash Credit	Long Term	139.81	ACUITE D (Reaffirmed)
	Term Loan	Long Term	61.00	ACUITE D (Reaffirmed)
	Bank Guarantee	Short Term	1.77	ACUITE D (Reaffirmed)
	Secured Overdraft	Long Term	0.91	ACUITE D (Reaffirmed)
	Term Loan	Long Term	66.51	ACUITE D (Reaffirmed)
13-Dec-2016	Cash Credit	Long Term	139.81	ACUITE D (Assigned)
	Secured Overdraft	Long Term	0.91	ACUITE D (Assigned)
	Term Loan	Long Term	66.51	ACUITE D (Assigned)
	Term Loan	Long Term	61.00	ACUITE D (Assigned)
	Bank Guarantee	Short Term	1.77	ACUITE 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	5.00	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.96	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	66.00	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.91	ACUITE D (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	0.40	ACUITE D (Reaffirmed)

Term loans	Not Applicable	Not Applicable	Not Applicable	1.85	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.29	ACUITE D (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	0.79	ACUITE D (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	4.65	ACUITE D (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	9.62	ACUITE D (Reaffirmed)
Short-term loan	Not Applicable	Not Applicable	Not Applicable	11.00	ACUITE D (Reaffirmed)
Short-term loan	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE D (Reaffirmed)
Short-term loan	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE D (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	1.57	ACUITE D (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	0.13	ACUITE D (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	9.73	ACUITE D (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	6.48	ACUITE D (Reaffirmed)
Term loans	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	57.85	ACUITE D (Reaffirmed)
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	1.58	ACUITE D (Reaffirmed)
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.19	ACUITE D (Reaffirmed)

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