

Press Release

The Krishna Sahakari Sakkare Karkhane Niyamit

January 15, 2020



Rating Update

| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs. 311.00 Cr. # |
| Long Term Rating | ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating* |

Refer Annexure for details

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

Acuité has downgraded long-term rating to '**ACUITE B-**' (**read as ACUITE B minus**) from '**ACUITE B+**' (**read as ACUITE B plus**) on the Rs. 311.00 crore bank facilities of THE KRISHNA SAHAKARI SAKKARE KARKHANE NIYAMIT (KSSKN). The rating downgrade is on account of information risk. This rating is now an indicative rating and is based on best available information.

The Krishna Sahakari Sakkare Karkhane Niyamit (KSSKN) was registered in March 1981 as a co-operative society under the Karnataka Cooperative Societies Act, 1959. The society has a sugar mill with an installed capacity of 5500 TCD and 27 MW co-gen plant.

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/criteria-default.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

| | Unit | FY19 (Actual) | FY18 (Actual) |
|-------------------------------|---------|---------------|---------------|
| Operating Income | Rs. Cr. | 193.31 | 227.57 |
| PAT | Rs. Cr. | 15.07 | 1.17 |
| PAT Margin | (%) | 7.79 | 0.52 |
| Total Debt/Tangible Net Worth | Times | 2.17 | 7.25 |
| PBDIT/Interest | Times | 2.10 | 1.94 |

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

Not Applicable

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 |
|-------------|---------------------------------|-----------|------------------|----------------------------|
| 12-Nov-2018 | Cash Credit | Long Term | 100.00 | ACUITE B/Stable (Assigned) |
| | Cash Credit | Long Term | 50.00 | ACUITE B/Stable (Assigned) |
| | Term Loans | Long Term | 38.57 | ACUITE B/Stable (Assigned) |
| | Term Loans | Long Term | 104.49 | ACUITE B/Stable (Assigned) |
| | Term Loans | Long Term | 17.94 | ACUITE B/Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|---|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 100.00 | ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating* |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 50.00 | ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating* |
| Term Loans | Not Applicable | Not Applicable | Not Applicable | 38.57 | ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating* |
| Term Loans | Not Applicable | Not Applicable | Not Applicable | 104.49 | ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating* |
| Term Loans | Not Applicable | Not Applicable | Not Applicable | 17.94 | ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating* |

*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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