



**Press Release**  
**UKR INDUSTRIES LIMITED**  
**November 19, 2024**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	78.00	ACUITE BB   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	78.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long term rating of 'ACUITE BB'(read as ACUITE double Bo)n the bank facilities of Rs.78.00 Crore of UKR Industries Limited. The outlook is 'Stable'.

**Rationale for Rating**

The assigned rating factors in the experience management, funding tied up and tripartite agreement with OMC. However, the above mentioned strengths are partly off-set by the execution risk as the date of commencement is yet to be achieved.

**About the Company**

West - Delhi – Based, UKR Industries Limited was incorporated in 2022. M/s. UKR Industries Limited is proposing 120 KLPD Grain based Ethanol Plant along with 2.5 MW Captive Power Plant under Ethanol Blending Programme in Madhya Pradesh.

The directors of the firm are Mr. Ashvinder Chowdhary, Mr. Kuljeet Kaur, Mr. Harbhajan Singh, Mr. Harjeet Kaur and Mr. Anil Sharma.

**Unsupported Rating**

Not applicable.

**Analytical Approach**

Acuite has considered the standalone approach for the operational and financial risk profile of the company to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Experience management**

The promoters of the company have an extensive experience in the trading of agro-commodity business including wheat, maize, rice etc.. The promoters of the company are Mr. Ashvinder Chowdhary, Mr. Kuljeet Kaur, Mr. Harbhajan Singh, Mr. Harjeet Kaur and Mr. Anil Sharma.

Acuite believes that their business acumen would be benefitting the company in the near to medium term. Further, the company will also enjoy the locational advantage as proposed project situated at Tehsil Sauser, District Chhindwara, Madhya Pradesh as raw materials required for the project like grains damaged rice, sorghum, bajra, maize etc. will be procured from nearby local vendors for manufacturing Ethanol.

**Presence of Escrow mechanism from tripartite agreements**

The company has an arrangement with bank that the cash flow generated from OMC's will be routed through escrow account and along with that, Debt Service Reserve Account of three months will be created (s (Principal

instalments and six months' interest amount shall be created and kept in this account) which provides additional comfort in the form of liquidity to the lenders.

### **Weaknesses**

#### **Nascent stage of project**

The company incorporated in 2022, and the proposed project is in its nascent stage. As company is proposing 120 KLPD Grain based Ethanol Plant along with 2.5 MW Captive Power Plant under Ethanol Blending Programme. The civil work is yet to start and commercial date of operation will be 01-01-2026. Acuite believes that the timely

completion of project without any time and cost overrun is a key rating sensitivity.

#### **Exposed to the risk associated with the capital expenditure**

The company is exposed to the implementation risk as the civil work is yet to be started and COD is yet to be achieved. However, the demand risk is mitigated by the presence of tripartite agreement with OMC's. Further, the company is also not exposed to the funding risk as the company has already tied-up with bank of Rs.78 Crore and partial disbursement has been taken as on date.

#### **Rating Sensitivities**

- Timely completion of the project without any cost and time over-run.

#### **Liquidity Position**

##### **Adequate**

The liquidity profile of the company is adequate. The operations of the company haven't started yet. However, the company has an investment of Rs.12.56 Crore as on 31<sup>st</sup> March 2024 in the form of mutual funds. Further, the company is enjoying moratorium period till the commencement of operations i.e.,01-01-2026. Hence, the company is not obliged for any debt obligations within next two years.

#### **Outlook: Stable**

#### **Other Factors affecting Rating**

None.

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	0.10	0.00
PAT	Rs. Cr.	0.05	(0.01)
PAT Margin	(%)	50.44	0.00
Total Debt/Tangible Net Worth	Times	0.00	9.20
PBDIT/Interest	Times	25.10	(58.50)

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

None

### Any other information

None.

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

### Rating History :

Not applicable.

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Mar 2033	78.00	Simple	ACUITE BB   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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