

Kag Industries: Downgraded

Facilities	Amount (Rs. Crore)	Rating/Outlook
Term Loan	7.00	SMERA D (Downgraded from SMERA B/Stable)
Proposed Cash Credit	8.00	SMERA D (Downgraded from SMERA B/Stable)
Proposed Bank Guarantee	10.00	SMERA D (Downgraded from SMERA A4)

SMERA has downgraded the long-term rating on the Rs.15.00 crore (fund based) bank facilities of Kag Industries (KI) to **'SMERA D' (read as SMERA D)** from 'SMERA B' (read as SMERA B) and short-term rating on the Rs.10.00 crore (non-fund based) bank facilities to **'SMERA D' (read as SMERA D)** from 'SMERA A4' (read as SMERA A four). The rating reflects delays in servicing and repayment of debt by the firm.

Rating Sensitivity Factor

- Curing of default

Criteria applied to arrive at the ratings:

- Manufacturing Entities

About the Firm

KI is a Himanchal Pradesh-based firm incorporated in 2009 by Mr. Anuj Agarwal and Mrs. Prabha Agarwal. The firm undertakes contract manufacturing of malted milk powder, malt and chocolate based nutrition powder. The manufacturing unit has a production capacity of 30 tonnes per day.

For FY2015-16, the firm reported losses of Rs.0.02 crore on operating income of Rs.19.34 crore, as compared with losses of Rs.0.37 crore on operating income of Rs.0.08 crore in FY2014-15. The net worth stood at Rs.11.59 crore (included quasi equity of Rs.2.53 crore) as on March 31, 2016 as against Rs.7.80 crore (included quasi equity of Rs.2.53 crore) in the previous year.

Rating History

Date	Facilities	Amount (Rs. Crore)	Ratings		Rating Outlook
			Long Term	Short Term	
26 October, 2015	Term Loan	7.00	SMERA B (Upgraded)	-	Stable
	Proposed Cash Credit	8.00	SMERA B (Assigned)	-	Stable
	Proposed Bank Guarantee	10.00	-	SMERA A4 (Assigned)	-
04 June, 2014	Proposed Term Loan	7.00	SMERA B - (Assigned)	-	Stable

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ABOUT SMERA

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