

## Press Release

KAG Industries (KI)

February 24 2018

## Rating Update



<b>Total Bank Facilities Rated*</b>	Rs.25.00 Cr
<b>Long Term Rating (Indicative)</b>	SMERA D Issuer not co-operating*
<b>Short Term Rating (Indicative)</b>	SMERA D Issuer not co-operating*

*#Refer Annexure for details*

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

SMERA has reviewed the long-term rating of '**SMERA D' (read as SMERA D)** and short term rating of '**SMERA D' (read as SMERA D)** on the Rs.25.00 crore bank facilities of KAG Industries. This rating is now an indicative rating and is based on best available information.

**Non-cooperation by the issuer/borrower:** SMERA 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 SMERA's policies.

### Applicable Criteria

- Manufacturing Entities: <https://www.smera.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.smera.in/criteria-default.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). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### About the Rated Entity:

KI is a Sirmour, Himanchal Pradesh-based firm incorporated in 2009 by Mr. Anuj Agarwal & Mrs. Prabha Agarwal. The firm undertakes contract manufacturing of malted milk powder, malt and chocolate based nutritional powder. The manufacture unit has a production capacity 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 for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
1-December-2016	Term Loans	Long Term	7.00	SMERA D (Downgraded)
	Proposed Cash Credit	Long Term	8.00	SMERA D (Downgraded)
	Proposed Bank Guarantee	Short Term	10.00	SMERA D (Downgraded)
26-October-2015	Term Loans	Long Term	7.00	SMERA B/ Stable (Upgraded)
	Proposed Cash Credit	Long Term	8.00	SMERA B/ Stable (Upgraded)
	Proposed Bank Guarantee	Short Term	10.00	SMERA B/ Stable (Upgraded)
4-June-2014	Term Loans	Long Term	7.00	SMERA B-/ Stable (Assigned)

#### Annexure – Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Term Loan	NA	NA	NA	7.00	SMERA D Issuer not co-operating*

Proposed Cash Credit	NA	NA	NA	8.00	SMERA D Issuer not co-operating*
Proposed Bank Guarantee	NA	NA	NA	10.00	SMERA D Issuer not co-operating*

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

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#### ABOUT SMERA

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