

RATING RATIONALE

22 January 2021

K M Sugar Mills Ltd

Brickwork Ratings reaffirms and withdraws the ratings for the Bank Loan Facilities of ₹244.14 Crores of K M Sugar Mills Ltd

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (07 Aug 2020)	Present
Fund Based	177.14	177.14	Long Term	BWR BBB Stable	BWR BBB Stable Withdrawn
Non Fund Based	7.00	7.00			
Fund Based	60.00	60.00	Short Term	BWR A3+	BWR A3+ Withdrawn
Total	244.14	244.14	Rupees Two Hundred Forty Four crores and Fourteen Lakhs only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

WITHDRAWAL

Bank loans of Rs.244.14 crs availed by K M Sugar Mills Ltd. (KMSL or the company) were last reviewed at BWR BBB (Stable)/A3+ on 07 Aug 2020. Now, the company has requested for withdrawal of the rating, along with NOC from the concerned lender. Accordingly, as per BWR's policy on withdrawal of ratings, the rating of the company has been reaffirmed and withdrawn. Last rating rationale is available at the following link: <https://www.brickworkratings.com/Admin/PressRelease/KM-Sugar-Mills-7Aug2020.pdf>

COMPANY PROFILE

K M Sugar Mill Ltd (KMSL), incorporated on 17th December 1971 with its current registered office at 11 Moti Bhawan, Collector Ganj, Kanpur, UP, is engaged in production of sugar, distillery products and generation of electricity, with plant located in Faizabad of U.P. L K Jhunjunwala is the Chairman, and Aditya Jhunjunwala, Sanjay Jhunjunwala and S C Aggarwala are directors in the company. Other directors are Hemantpat Singhania, Satish Kumar Gupta, Ram Shanker Shukla, Madhu Mathur and Surendra Bahadur Singh.

KEY FINANCIAL INDICATORS

Key Parameters	Units	2019(Aud)	2020(Aud)
Operating Revenue	Rs. crs	390.06	531.35
EBITDA	Rs. crs	37.93	50.19
PAT	Rs. crs	24.25	18.43
Tangible Net worth (Analysed)	Rs. crs	95.36	99.52
TOL/TNW (Analysed)	Times	4.02	4.02
Current Ratio	Times	1.13	1.19

Note: Unsecured loans have been added to Tangible Net Worth and investments in subsidiaries/associates/related entities have been subtracted from Tangible Net Worth while arriving at the Analysed Tangible Net Worth.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NIL

RATING HISTORY for the past three years (including withdrawn and suspended ratings)

Instrument /Facility	Current Year (2021)			Rating History						
	Current Rating			07 Aug 2020			05 July 2019			2018
Bank Loan Facility	FB	Rs.177.14 crs	BWR BBB Stable Withdrawn	FB	Rs.177.14 crs	BWR BBB Stable	FB	Rs.205.95 crs	BWR BBB Stable	N.A
	NFB	Rs.7.00crs		NFB	Rs.7 crs		NFB	Rs.7 crs		
	FB	Rs.60 crs	BWR A3+ Withdrawn	FB	Rs.60 crs	BWR A3+	FB	Rs.40 crs	BWR A3+	
	Total	244.14		Total	244.14		Total	252.95		
Rupees Two Hundred Forty Four crores and Fourteen Lakhs only										

ANNEXURE I

**K M Sugar Mills Ltd
Details of Bank Facilities rated by BWR**

Sl. No.	Type of Facilities	Long Term {(₹ Cr)}	Short Term {(₹ Cr)}	Total (₹ Cr)
1	Cash Credit	49.00	NIL	49.00
2	Term Loan	4.90	NIL	4.90
3	CC/WCDL/B D	52.25	NIL	52.25
4	WHR	NIL	60.00	60.00
5	Term Loan -1	38.21	NIL	38.21
6	Term Loan - 2	21.56	NIL	21.56
7	Bank Guarantee	7.00	NIL	7.00
8	COVID TL	11.22	NIL	11.22
TOTAL		184.14	60.00	244.14

Total Rupees Two Hundred Forty Four crores and Fourteen Lakhs only.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)

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