

RATING RATIONALE

22 June 2021

NSL Krishnaveni Sugars Limited

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of ₹330.41 crs of NSL Krishnaveni Sugars Limited based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Jun 2020)	Present
Fund based	188.35	188.35	Long Term	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING* Reaffirmed
Non-Fund based	142.06	142.06	Short Term		
Total	330.41	330.41	Rupees Three Hundred and Thirty Crores and Forty One Lakhs Only		

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

* Issuer did not cooperate, based on the best available information.

Details of Bank facilities is provided in Annexure-I&II

RATING ACTION/NATURE OF NON COOPERATION

The ratings were downgraded and migrated to the Issuer Not Cooperating* category earlier as the company did not cooperate with Brickwork Ratings (BWR) in submission of required information for conducting a review of the rating and lenders had confirmed that the accounts had been classified as Non Performing Asset (NPA). Despite the best efforts of BWR to get at least the minimum required information for a review, the company continues to be non cooperative. The lenders have confirmed that the account continues to be NPA. Additionally, BWR notes that the NPA account has been admitted under NCLT, Hyderabad Bench in Feb 2020. Further, the company has not been sharing the No Default Statement (NDS) with BWR as per extant regulatory requirements. Due to the continued lack of management cooperation and in the absence of adequate information from the company, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Hence, based on extant regulatory guidelines, continued non-cooperation by the company, non submission of NDS and the best available information, Brickwork Ratings has reaffirmed the rating at BWR D and continued the rating in the Issuer Not Cooperating* category.

*Issuer did not cooperate; based on best available information

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS

The company has not provided any financial information to BWR for more than three years.

COMPANY PROFILE (as per information available in July 2017)

NSL Krishnaveni Sugars Limited was incorporated in 2006 at Hyderabad. It belongs to Hyderabad based NSL Group. It is promoted by NSL Sugars Limited (rated BWR D), which holds 74% equity of the company. The company operates an integrated sugar plant and is engaged in manufacturing of Sugar, co-generation of Power, and Molasses or Grain based Fuel Ethanol. The plant has 3500 TCD crushing capacity with a captive cogen unit of 31 MW and 120 KLPD ethanol distillery plant located at Ramakrishnapur village, Mahabubnagar district, Telangana.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR THE LAST 3 YEARS (including withdrawn and suspended)

Facilities	Current Rating (June 2021)			Rating History		
	Tenure	Amount (₹ Cr)	Rating	Jun 2020	2019	Jul 2018
Fund Based	Long Term	188.35	BWR D (Reaffirm) ISSUER NOT COOPERATING*	BWR D Issuer Not Cooperating*	-	BWR D Issuer Not Cooperating*
Non-Fund Based	Short Term	142.06				
Total		330.41	INR Three Hundred and Thirty Crores and Forty One Lakhs Only			

Note: The initial rating of BWR BB+/Stable/A4+ were assigned to the bank loan facilities of Rs.585.10 Crs on 14th Oct 2014. Subsequently, the ratings were reaffirmed on 08-Sep-2015 for the rated amount of Rs.377.82 Crs. Later the ratings were downgraded to BWR BB/Stable/A4 on 04-Nov-2016 for the rated amount of Rs.354.94 Crs and further downgraded to BWR BB-/Stable/A4 on 18-Jul-2017 for the rated amount of Rs.330.41 Crs

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

Hyperlink/Reference to applicable Criteria

- [Approach to Financial Ratios](#)
- [General Criteria](#)
- [What Constitutes Non-Cooperation](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)
- [Default Recognition and Default Curing Period](#)

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NSL Krishnaveni Sugars Limited

ANNEXURE I

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Lenders [^]	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	-	Term Loans	102.73	-	102.73
2.	-	Soft loans	8.33	-	8.33
3.	-	SEFASU	4.18	-	4.18
4.	-	SDF	7.91	-	7.91
5.	-	Working capital - FB	65.20	-	65.20
6.	-	Working capital - NFB	-	121.00	121.00
7.	-	Non fund based (SDF-BG)	-	21.06	21.06
		TOTAL	188.35	142.06	330.41

Total Rupees Three Hundred and Thirty Crores and Forty One Lakhs only.

Note: As per information available in July 2017. [^] The above facilities were availed from a consortium of banks with Canara Bank as consortium leader. Other lenders were Andhra Bank, Indian Overseas Bank, Vijaya Bank and SDF. No further breakups were shared.



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