

Kesar Enterprises Limited (Revised)

April 06, 2022

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities- Term Loan	107.26	CARE D (Single D)	Reaffirmed
Long Term Bank Facilities Fund Based- Cash Credit	63.30	CARE D (Single D)	Reaffirmed
Short Term Bank Facilities Non-Fund Based- LC/BG	0.20	CARE D (Single D)	Reaffirmed
Total Facilities	170.76 (Rs. One Hundred Seventy Crore and Seventy-Six Lakhs Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of Kesar Enterprises Limited (KEL) continues to reflect the ongoing delays in the servicing of debt obligations.

Rating Sensitivities

Positive rating sensitivities

- Default free track record of the company for a period of 90 days
- Improvement in operating performance and profitability of the company on sustained basis

Detailed description of the key rating drivers

Key Rating Weaknesses

Delays in Debt Servicing

There are on-going delays in servicing of interest and principal. The account has been classified as Non-Performing Asset (NPA) by the bankers.

Key Rating Strengths: Not applicable

Liquidity: Poor

There are on-going delays in servicing of interest and principal. The account has been classified as Non-Performing Asset (NPA) by the bankers.

Analytical approach: Standalone

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology-Manufacturing Companies](#)

About the Company

Kesar Enterprises Ltd (KEL), formerly known as Kesar Sugar Works Ltd was originally promoted by Kilachand Group in October 1933. In 1985, the promoters renamed it to its present name. The company is part of the Kilachand Group, one of the old and well-established Industrial Houses in India having diversified interest in sugar, distillery, renewable energy, storage and other agro products.

KEL is a fully-integrated sugar company operating its sugar unit with a capacity of 7,200 TCD (Tonnes Crushed per Day), co-generation power plant of 44 MW, and a distillery unit producing industrial alcohol with capacity of 50,000 KLPD (Kilo Litres per Day). The company's integrated sugar plant is located at Baheri, Uttar Pradesh. The power plant is a fully automated bagasse fired co-generation power plant. The plant can operate at high pressure of 115 kg/cm². The company has entered into a PPA (Power Purchase Agreement) with Uttar Pradesh Power Corporation Limited (UPPCL) for sale of power for 20 years. Besides, the company produces open pollinated and hybrid seeds under its brand name "Kesar seeds". The company has an in-house research division at Hyderabad where the seeds are developed.

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	9MFY22(UA)
Total operating income	519.35	654.38	282.87
PBILDT	44.15	134.77	-1.57
PAT	2.29	89.83	-35.28
Overall gearing (times)	NM	NM	NA
Interest coverage (times)	1.77	5.00	NA

A: Audited; UA: Un-audited; NA: not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	August 2022	107.26	CARE D
Non-fund-based - ST-BG/LC		-	-	-	0.20	CARE D
Fund-based - LT-Cash Credit		-	-	-	63.30	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	107.26	CARE D	-	1)CARE D (05-Apr-21)	1)CARE D (02-Apr-20)	-
2	Non-fund-based - ST-BG/LC	ST	0.20	CARE D	-	1)CARE D (05-Apr-21)	1)CARE D (02-Apr-20)	-
3	Fund-based - LT-Cash Credit	LT	63.30	CARE D	-	1)CARE D (05-Apr-21)	1)CARE D (02-Apr-20)	-

*Long term/short term

Annexure-3: Detailed explanation of covenants of the rated facilities- Not applicable

Annexure 4: Complexity level of various instruments rated for this Company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure 5: Bank Lender Details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings:

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