

Kwality Feeds Limited

September 05, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	15.17	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable;
Short Term Bank Facilities	0.26	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated July 12, 2023, placed the rating(s) of Kwality Feeds Limited (KFL) under the 'issuer non-cooperating' category as KFL had failed to provide information for monitoring of the rating. KFL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 27, 2024, June 06, 2024, June 16, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of KFL have been revised on account of non-availability of requisite information. The revision also factored in decline in overall profitability as well as increased debt levels during FY23.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [July 12, 2023](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Kwality Feeds Limited promoted by Mr. Koganti venkata Gopala Krishna and Mr. Kaganti Anjaneyulu was incorporated in the year 1993 as a private limited company and later was converted into public limited company. Initially, KFL got its products manufactured by way of job works offered to Koganti Commercial Corporation (KCC) in which promoters of KFL are partners. KFL installed a Multi-Purpose Feed Plant to manufacture aquaculture feeds and started commercial production from April 1996. Presently, KFL manufactures lab animal feed, rabbit feed, fish feed, shrimp feed, poultry feeds and cattle feed. As on August 31, 2017 the company has an installed capacity of 57200 metric tonnes (MT). Furthermore, on April 27, 2016, the company commenced operations of its newly established 20,000 MT Shrimp feed plant. The company primarily undertakes processing job work in case of shrimp feed.

KFL undertakes processing work for companies such as Goldmohur Foods and Feeds Limited, Godrej Agrovet Limited, Suguna Poultry Farms limited, Godrej Goldcoin Aqua Feed Limited among others. The company is a member of The Compound Feed Manufacturers Association (CLFMA) and The Marine Products Export Developing Authority (MPEDA) etc.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	98.86	118.80
PBILDT	4.03	4.08
PAT	0.80	0.49
Overall gearing (times)	0.65	0.70
Interest coverage (times)	3.25	2.82

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: India Ratings has continued the ratings assigned to the bank facilities of KFL to the 'issuer not-cooperating' category vide press release dated July 14, 2024 on account of its inability to carryout review in the absence of requisite information from the company.

Any other information: Not Applicable

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

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	7.75	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	June 2026	7.42	CARE B; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	0.26	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	7.42	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (14-Jun-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (06-May-21)
2	Fund-based - LT-Cash Credit	LT	7.75	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (14-Jun-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (06-May-21)
3	Non-fund-based - ST-Bank Guarantee	ST	0.26	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE A4; ISSUER NOT COOPERATING* (14-Jun-22)	1)CARE A4; ISSUER NOT COOPERATING* (06-May-21)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

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

Contact us

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About us:

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Disclaimer:

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