

**Kesar Enterprises Limited**

April 02, 2020

**Ratings**

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities (Term Loan)	107.26 (107.26)	<b>CARE D (Single D)</b>	Reaffirmed
Long Term Bank Facilities (Fund Based)	63.30 (63.30)	<b>CARE D (Single D)</b>	Reaffirmed
Short Term Bank Facilities (Non Fund Based)	0.20 (0.20)	<b>CARE D (Single D)</b>	Reaffirmed
<b>Total</b>	<b>170.76 (Rs. One hundred and seventy crore and seventy six lakh only)</b>		

*Details of instruments and facilities in Annexure-1*
**Detailed Rationale & Key Rating Drivers**

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

**Detailed description of key rating drivers**
**Key Rating Weaknesses**
**Delays in debt servicing**

There are delays in servicing of interest and principal. The account continues to be classified as an NPA.

**Key Rating Strength** Not Applicable

**Analytical approach:** Standalone

**Applicable criteria**

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

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

[CARE's methodology for Short-term Instruments](#)

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

[CARE's methodology for 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/cm<sup>2</sup>. 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.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	315.19	404.54
PBILDT	14.64	23.20
PAT	-46.71	-34.61
Overall gearing (times)	NM	NM
Interest coverage (times)	0.33	0.51

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

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

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	107.26	CARE D	-	1)CARE D (15-Mar-19)	1)CARE D (26-Feb-18)	1)CARE D (31-Mar-17) 2)CARE D (26-Apr-16)
2.	Non-fund-based - ST-BG/LC	ST	0.20	CARE D	-	1)CARE D (15-Mar-19)	1)CARE D (26-Feb-18)	1)CARE D (31-Mar-17) 2)CARE D (26-Apr-16)
3.	Fund-based - LT-Cash Credit	LT	63.30	CARE D	-	1)CARE D (15-Mar-19)	1)CARE D (26-Feb-18)	1)CARE D (31-Mar-17) 2)CARE D (26-Apr-16)

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Email ID: [Saikat.roy@careratings.com](mailto:Saikat.roy@careratings.com)**About CARE Ratings:**

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