

Krishna Kanhaiyya Milk Processing Private Limited

August 31, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based-Term Loan	7.10	7.10	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Withdrawn
Fund based-Cash Credit	2.80	2.80	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Withdrawn
Total	9.90	9.90	

* ISSUER NOT COOPERATING due to Non-Submission of No Default Statement (NDS)

Rating action

ICRA has withdrawn the long-term rating of [ICRA]B+ (pronounced ICRA B plus)¹ with a stable outlook - ISSUER NOT COOPERATING assigned to the Rs. 9.90-crore² fund-based facilities of Krishna Kanhaiyya Milk Processing Private Limited ('KKMPL' or 'the company').

Rationale

The ratings are withdrawn in accordance with ICRA's policy on withdrawal and suspension.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[ICRA Policy on Withdrawal and Suspension of Credit Rating](#)

[Corporate Credit Rating Methodology](#)

About the company:

KKMPL was incorporated in January 2014 and sells pouched milk, cottage cheese (*paneer*) and clarified butter (*ghee*) under the brand name, 'Sugo', apart from selling bulk milk to institutional clients. The company has a capacity to process 2 lakh litres per day (LPD). The company is part of the Malganga Group, which has been in the dairy business since 1998. Its other two entities include Malganga Dairy Farm and Malganga Milk and Agro Products Private Limited, who are also engaged in the dairy sector. It started off by selling bulk milk to its sister concern, Malganga Dairy Farm (MDF) and operates in the same markets as its sister concerns—namely, the districts of Shirur, Shrigonda, Parner and Karjat in Maharashtra.

¹ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

² 100 lakh = 1 crore = 10 million

Key Financial Indicators (Audited)

	FY2016	FY2017
Operating Income (Rs. crore)	42.9	37.6
PAT (Rs. crore)	-0.4	-0.9
OPBDIT/ OI (%)	2.8%	5.5%
RoCE (%)	1.3%	1.0%
Total Debt/ TNW (times)	5.8	13.2
Total Debt/ OPBDIT (times)	8.1	4.9
Interest coverage (times)	1.4	1.9

Status of non-cooperation with previous CRA: CRISIL had suspended the rating of [CRISIL] B/Stable vide release dated 29 November, 2016.

Any other information: None

Rating history for last three years:

Instrument	Current Rating (FY2019)				Chronology of Rating History for the past 3 years		
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating August 2018	Date & Rating in FY2018 November 2017 [@]	Date & Rating in FY2017 February 2017	Date & Rating in FY2016 -
1 Term Loan	Long Term	7.10	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING Withdrawn	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]B+ (Stable)	-
2 Cash Credit	Long Term	2.80	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING Withdrawn	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]B+ (Stable)	-

[@] ICRA has moved the rating of KKMPL to the 'ISSUER NOT COOPERATING' category due to non-cooperation by the entity in October 2017.

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	FY2015	-	FY2019	7.10	[ICRA]B+ (Stable) ISSUER NOT COOPERATING Withdrawn
NA	Cash Credit	-	-	-	2.80	[ICRA]B+ (Stable) ISSUER NOT COOPERATING Withdrawn

Source: KKMPL

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