

Khosla Agro Overseas

February 26, 2019

Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	25.00	25.00	[ICRA]BB (Stable) ISSUER NOT COOPERATING*; Rating continues to remain in 'Issuer Not Cooperating' category
Total	25.00	25.00	

*Issuer did not co-operate; based on best available information.

Rationale

The rating for the Rs. 25.00 crore bank facilities of Khosla Agro Overseas continues to remain in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB(Stable) ISSUER NOT COOPERATING"

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Analytical approach

ICRA has applied its rating methodologies/policies as indicated below:

Links to applicable criteria:

[Policy in respect of non-cooperation by the rated entity](#)

About the company:

Established in 1993, KAO is a partnership firm involved in milling of basmati and non-basmati rice. The firm's milling unit is based in Batala, Punjab, in close proximity of the local grain market. The firm sells rice under its five registered brands in the domestic market. The firm is also involved in the export of rice, with the Middle East being the primary export destination for the firm, which has a milling and sorting capacity of 18 tonnes per hour. The firm's operations are overseen by the partners Mr. Jaideep Khosla and Mr. Varun Khosla.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key financial indicators: Audited

	FY2016	FY2017*
Operating Income (Rs. crore)	99.65	112.51
PAT (Rs. crore)	2.27	6.34
OPBDIT/OI (%)	6.75%	8.77%
RoCE (%)	9.89%	13.81%
Total Debt/TNW (times)	1.86	1.54
Total Debt/OPBDIT (times)	6.08	4.48
Interest coverage (times)	1.70	3.25

*Provisional

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