

October 05, 2023

Kothari Sugars and Chemicals Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term- Fund based Term Loan	15.93	15.93	[ICRA]BBB (Stable); withdrawn
Long term – Fund based Working Capital Facilities	100.00	100.00	[ICRA]BBB (Stable); withdrawn
Short term-Non-fund based Working Capital Facilities	5.00	5.00	[ICRA]A2; withdrawn
Total	120.93	120.93	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Kothari Sugars and Chemicals Limited, at the request of the company and based on the No Objection certificate received from the bankers, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings Rating Methodology for Entities in the Sugar Industry
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statement

About the company

KSCL, incorporated in 1961, is an integrated sugar company with units at Kattur and Sathamangalam in Tamil Nadu. The company has a combined capacity of 6,400 TCD. It also has a distillery capacity of 60 KLPD and a total power co-generation capacity of 33 MW.

In FY2023, the company reported a net profit of Rs.41.9 crore on an operating income (OI) of Rs. 610.0 crore compared to a net profit of Rs. 34.0 crore on an OI of Rs. 423.5 crore in the previous year.

Key financial indicators (audited)

	FY2022	FY2023
Operating income	423.5	610.0
PAT	34.0	41.9
OPBDIT/OI	11.7%	10.2%
PAT/OI	8.0%	6.9%
Total outside liabilities/Tangible net worth (times)	0.8	0.7
Total debt/OPBDIT (times)	1.1	0.6
Interest coverage (times)	12.1	16.0

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument		Current rating (FY2024)				Chronology of rating history for the past 3 years		
		Type	Amount rated (Rs. crore)	Amount outstanding as of Mar 31, 2023 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
					Oct 05, 2023	Oct 10, 2022	Sep 09, 2021	Aug 24, 2020
1	Term Loan	Long term	15.93	0.45	[ICRA]BBB (Stable); Withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB- (Stable)
2	Fund based Working Capital Facilities	Long term	100.00	-	[ICRA]BBB (Stable); Withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB- (Stable)
3	Non-fund based Working Capital Facilities	Short term	5.00	-	[ICRA]A2; withdrawn	[ICRA]A2	[ICRA]A2	[ICRA]A3

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term- Fund based Term Loan	Simple
Long term – Fund based Working Capital Facilities	Simple
Short term-Non-fund based Working Capital Facilities	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long term- Fund based Term Loan	March 2019	-	September 2023	15.93	[ICRA]BBB (Stable); Withdrawn
NA	Long term – Fund based Working Capital Facilities	-	-	-	100.00	[ICRA]BBB (Stable); Withdrawn
NA	Short term-Non-fund based Working Capital Facilities	-	-	-	5.00	[ICRA]A2; withdrawn

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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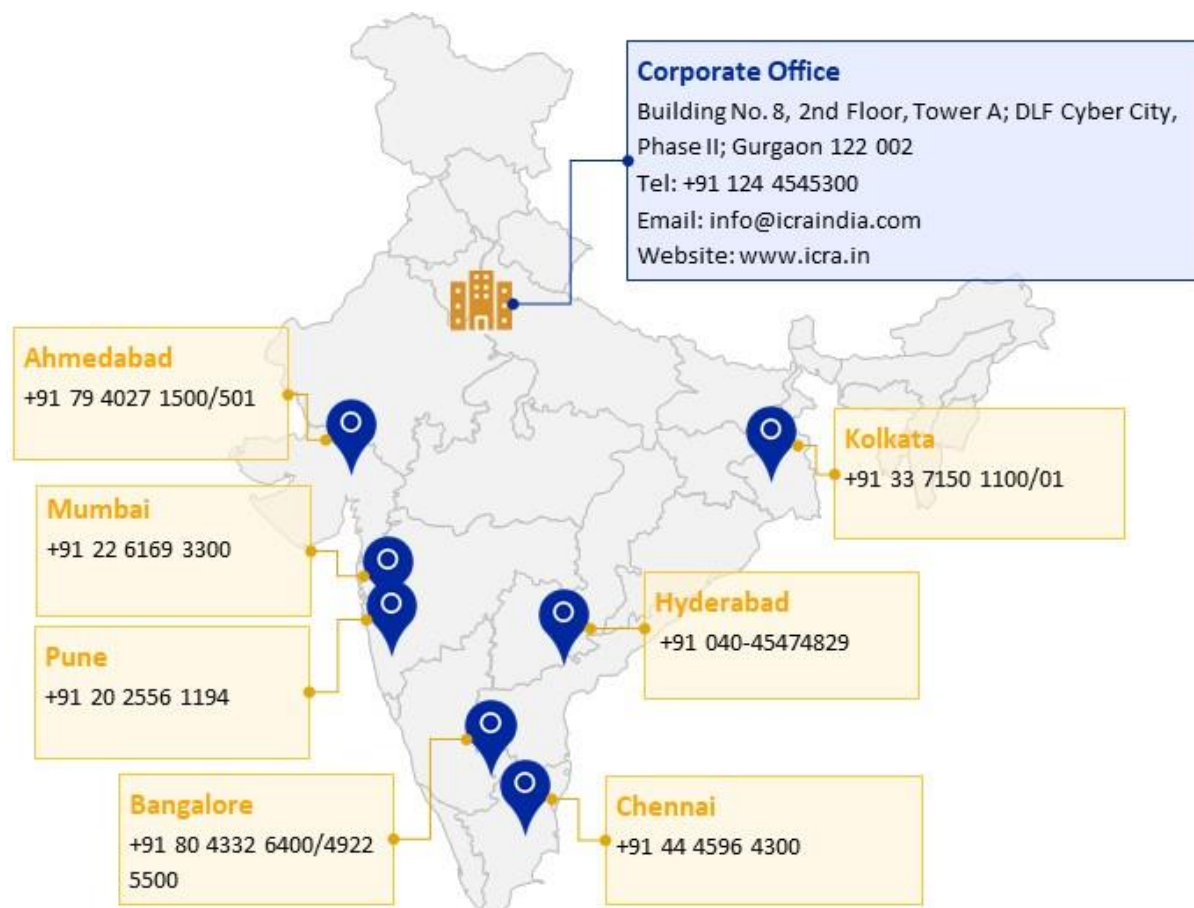


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