

October 23, 2024

K.C.P. SUGAR AND INDUSTRIES CORPORATION LIMITED: Long-term ratings withdrawn; Short-term fixed deposit rating put on Notice of Withdrawal for six months

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Others	146.20	146.20	[ICRA]BBB+ (Positive); Withdrawn
Long Term – Non-Fund Based – Others	4.09	4.09	[ICRA]BBB+ (Positive); Withdrawn
Long Term – Unallocated Limits	24.38	24.38	[ICRA]BBB+ (Positive); Withdrawn
Fixed Deposit Programme	89.27	89.27	[ICRA]A2+; Rating put on notice of withdrawal for six months
Total	263.94	263.94	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of K.C.P. Sugar and Industries Corporation Limited at the company's request and based on the receipt of No Objection Certificates from the respective lenders. This is in accordance with ICRA's policy on the withdrawal of credit ratings. The short-term rating on the fixed deposits has been placed on notice for withdrawal for six months, also in line with ICRA's policy on the withdrawal of 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 and their description, liquidity position, rating sensitivities, and key financial indicators have not been captured as the related instrument has been withdrawn.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 Sugar Policy on withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has considered the consolidated financials of KCPSICL

About the company

K.C.P Sugars and Industries Corporation Limited (KCPSICL) has an integrated sugar plant in the Krishna district of Andhra Pradesh (AP), having a crushing capacity of 7,500 tonnes per day (TCD), along with a distillery capacity of 50 KLPD (kilo litres per day) and incidental co-generation capacity of 15 megawatt (MW). Other allied businesses consist of production of organic manure, mycorrhiza vam (1,400 TPA), and pharma grade calcium lactate (500 TPA). A 4,000-TCD sugar unit at Lakshmipuram, AP, was closed down in 2020 due to lower cane availability, and in its place the company started a black gram (urad dal) processing unit of 22,000 TPA in February 2023. KCPSICL also has an engineering unit at Thuvakudi, Trichy, Tamil Nadu.

KCPSICL is part of the KCP Group, which was founded by late Mr. V. Ramakrishna in 1941, who was an ICS. KCPSICL split from the flagship company of the Group, KCP Limited, and was incorporated as a separate entity in 1995 under late Mr. V.M. Rao (son of Mr. V. Ramakrishna and brother of late Mr V.L. Dutt – former Chairman, KCP Limited). Their sister, Smt. Rajeswary Ramakrishnan, is the chairman of Krishna Industrial Corporation Limited, which is into fertilisers and pesticides in AP. All the three entities have been operating independently of each other. K.C.P.Sugar and Industries Corporation Ltd has two subsidiary units, viz., The EIMCO K.C.P. Ltd. and KCP Sugars Agricultural Research Farms Ltd.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
	FY2025					FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs Crore)	Oct 23, 2024	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based Limits	Long-Term	146.20	[ICRA]BBB+ (Positive); Withdrawn	Sep 30, 2024	[ICRA]BBB+ (Positive)	Nov 06, 2023	[ICRA]BBB+ (Stable)	-	-	-	-
Non Fund Based Limits	Long-Term	4.09	[ICRA]BBB+ (Positive); Withdrawn	Sep 30, 2024	[ICRA]BBB+ (Positive)	-	-	-	-	-	-
Unallocated Limits	Long-Term	24.38	[ICRA]BBB+ (Positive); Withdrawn	Sep 30, 2024	[ICRA]BBB+ (Positive)	Nov 06, 2023	[ICRA]BBB+ (Stable)	-	-	-	-
Fixed deposit programme	Short-Term	89.27	[ICRA]A2+; Put on notice of withdrawal for six month	Sep 30, 2024	[ICRA]A2+	Nov 06, 2023	[ICRA]A2+	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based – Others	Simple
Long Term – Non-Fund Based – Others	Very Simple
Long Term – Unallocated Limits	Not Applicable
Fixed Deposit Programme	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 – Others	NA	NA	NA	146.20	[ICRA]BBB+ (Positive); Withdrawn
NA	Long Term – Non-Fund Based – Others	NA	NA	NA	4.09	[ICRA]BBB+ (Positive); Withdrawn
NA	Long Term – Unallocated Limits	NA	NA	NA	24.38	[ICRA]BBB+ (Positive); Withdrawn
NA	Fixed Deposit Programme	NA	NA	NA	89.27	[ICRA]A2+; Put on notice of withdrawal for six month

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company Name	KCPSICL Ownership	Consolidation Approach
The EIMCI K.C.P. Limited	100.00%	Full Consolidation
KCP Sugars Agricultural Research Farms Limited	100.00%	Full Consolidation

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