Rana Sugars Limited

December 28, 2018

Summary of rated action:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based- Cash Credit	502.20	502.20	[ICRA]D ISSUER NOT COOPERATING*; Rating moved to the ‘Issuer Not Cooperating’ category
Long Term-Fund Based- Term Loans	104.87	104.87	[ICRA]D ISSUER NOT COOPERATING*; Rating moved to the ‘Issuer Not Cooperating’ category
Long Term-Unallocated	81.13	81.13	[ICRA]D ISSUER NOT COOPERATING*; Rating moved to the ‘Issuer Not Cooperating’ category
Short Term-Non Fund Based-BGs and LCs	31.80	31.80	[ICRA]D ISSUER NOT COOPERATING*; Rating moved to the ‘Issuer Not Cooperating’ category
Total	**720.00**	**720.00**	

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

Rationale

ICRA has moved the long term and short term ratings for the bank facilities of Rana Sugars Limited (RSL) to the ‘Issuer Not Cooperating’ category. The rating is now denoted as “[ICRA]D 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

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity
Parent/Group Support	Not applicable
Consolidation / Standalone	Standalone

About the company:

RSL is engaged in the business of manufacturing sugar and undertaking the allied businesses of cogeneration and distillery. Incorporated in July 1991, RSL was promoted by Rana Gurjeet Singh and Rana Ranjit Singh as a joint venture with Punjab Agro Industrial Corporation Ltd. (PAIC). At present, the company is being managed under the managing directorship of Rana Inder Pratap Singh. PAIC divested its stake in Rana Sugars during FY2005 by selling its stake to the promoters, as per the provisions of the Financial Collaboration Agreement.

RSL's facilities consist of a combined crushing capacity of 15,000 tonnes crushed per day (TCD) including a 5,000 TCD mill located at Buttar (Punjab) and two capacitates of 5,000 TCD each located at Moradabad and Rampur (Uttar Pradesh). The company also generates power using bagasse (a byproduct of sugar) and currently has a total generation capacity of 105.9 MW. RSL is also forward integrated to manufacture alcohol and has an alcohol manufacturing capacity of 60 KLPD located in Punjab. In April 2013, the company launched a pilot project in Punjab for manufacturing sugar from beetroot.

The previous detailed rating rationale is available on the following link: Click here

Key financial indicators (Audited)

	FY2017	FY2018	6M FY2019*
Operating Income (Rs. crore)	1101.91	976.61	455.05
PAT (Rs. crore)	-26.13	-86.49	-56.64
OPBDIT/ OI (%)	7.23%	3.71%	-1.76%
RoCE (%)	5.54%	1.48%	-4.58%
Total Debt/ TNW (times)	5.47	57.31	-17.61
Total Debt/ OPBDIT (times)	9.06	20.79	-95.87
Interest Coverage (times)	0.90	0.37	-0.19
NWC/ OI (%)	32%	24%	25%

* Provisional key financial numbers for 6 months FY2019

ANALYST CONTACTS

Sabyasachi Majumdar
+91 124 4545304
sabyasachi@icraindia.com

Hemant Dahiya
+91 124 4545 365
hemant.dahiya@icraindia.com

Avneet Kaur
+91 124 4545 319
avneetk@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-124-2866928 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody’s Investors Service is ICRA’s largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
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Hyderabad	+ (91 40) 2373 5061/7251
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