

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 capacities 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

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About ICRA Limited:

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