January 31, 2020

Rajshree Sugars & Chemicals Limited: Rating Moved to Issuer Not Cooperating category

Summary of rating action:

Instruments	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term - Term Loans	334.42	334.42	[ICRA]D; ISSUER NOT COOPERATING*; Rating Moved to issuer not cooperating category
Long term - Fund Based – Cash Credit	82.84	82.84	[ICRA]D; ISSUER NOT COOPERATING*; Rating Moved to issuer not cooperating category
Total	**417.26**	**417.26**	

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

Rationale

The rating for the Rs.417.26-crore bank facilities of Rajshree Sugars & Chemicals Limited (RSCL) Moved to 'Issuer Not Cooperating' category'. The rating is 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/dated/ limited 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 Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation / Standalone	Standalone

About the company

Rajshree Sugars & Chemicals Limited (RSCL), founded in 1985 by Late Shri. G. Varadaraj, is an integrated sugar company with three units at Theni, Villupuram, and Gingee in Tamil Nadu. The company has a combined crushing capacity of 11,500 TCD. It also has a total distillery capacity of 125 kilo litres per day (KLPD; 45 KLPD in Theni unit and 80 KLPD in Gingee unit) and a total cogeneration capacity of 54.5 MW (12 MW in Theni unit, 22 MW in Villupuram unit and 20.5 MW in Gingee unit).

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

Key financial Indicators

	FY2018 Audited	FY2019 Audited	6M FY2020 Provisional
Operating Income (Rs. crore)	552.27	399.45	188.16
PAT (Rs. crore)	-12.58	-41.84	-33.77
OPBDIT/OI (%)	6.16%	3.60%	2.02%
RoCE (%)	5.09%	-1.27%	-2.74%
Total Outside Liabilities/Tangible Net Worth (times)	4.71	6.93	9.69
Total Debt/OPBDIT (times)	13.92	32.13	61.61
Interest Coverage (times)	0.57	0.25	0.14
DSCR	0.33	0.12	-

Rating history for past three years

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2017	FY2016
					31-Jan-2020	03-Jul-2018	04-Jan-2017	02-Dec-2015
1	Term Loans	Long Term	334.42	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; removed from 'Issuer Not Co-operating' category	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D
2	Cash Credit	Long Term	82.84	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; removed from 'Issuer Not Co-operating' category	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D

All figures in Rs. Crore

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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.

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