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BWR/BLR/CHD/IRC/AM/1552/2019-20

05 Jul 2019

Arvind Kumar Gupta,
General Manager (Finance),
K. M. Sugar Mills Ltd.,
11 Moti Bhawan,
52/1 Collector Ganj,
Kanpur - 208001, Uttar Pradesh

Dear Sir,

Sub: Rating of the Bank Loan Facilities of K. M. Sugar Mills Ltd. amounting to ₹ 252.95 Crores (INR Two Hundred Fifty Two crores and Ninety Five Lakhs Only).

Thank you for giving us an opportunity to undertake the Rating of the Bank Loan facilities sanctioned to your Company. Based on the information and clarifications provided by you, we are pleased to inform you that **K. M. Sugar Mills Ltd.'s** bank loan facilities aggregating ₹ 252.95 Crs have been assigned ratings as follows:

Facility	Amount (₹ Crs)	Tenure	Rating*
Fund based	205.95	Long Term	BWR BBB (Pronounced as BWR Triple B) Outlook: Stable
Non Fund Based	7.00		
Fund Based	40.00	Short Term	BWR A3+ (Pronounced as BWR A Three Plus)
Total	252.95	Rupees Two Hundred Fifty Two crores and Ninety Five Lakhs only	

*Please refer to BWR website www.brickworkratings.com for definition of the rating assigned

Note: Details of bank wise facilities is as per Annexure-I

The Ratings are valid for twelve months subject to terms and conditions that were agreed in your mandate dated **09 May 2019** and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended at the end of this letter.

Page 1 of 4



Brickwork Ratings India Pvt. Ltd.

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K. M. Sugar Mills Ltd.

The rated Bank Loan facilities would be under surveillance during the said period. You are required to submit information periodically as per Annexure-II for the purpose of surveillance/review. You are also required to keep us informed of any information/ development that may affect your Company's finances/performance without any delay.

You are also requested to submit No Default Statement (NDS) on a monthly basis, as per the SEBI guidelines. Please treat this as most important.

We are also enclosing the Rating Rationale. Please let us have your acceptance of the Rating and the Rating Rationale within two days of the date of this letter. Please note that unless acceptance is conveyed to us, the rating is not valid and should not be used for any purpose whatsoever.

Best Regards,

Ashwini Mital
Director-Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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Annexure-I

Bank	Facility	Tenure	Sanctioned Amount (Rs. crs)	Amount rated (Rs. crs)
Punjab National Bank, Mid Corporate, Lucknow	Cash Credit	Long Term	49.00	49.00
	Term Loan	Long Term	36.94	13.94
State Bank of India, Commercial Branch, Gokhale Marg, Lucknow	CC/WCDL/BD	Long Term	52.25	52.25
	WHR (4- months)	Short Term	40.00	40.00
	Term Loan -1	Long Term	47.76	47.76
	Term Loan -2	Long Term	36.94	23.00
	Bank Guarantee	Long Term	7.00	7.00
Distt. Co-op. Bank, Faizabad	Cash Credit	Long Term	20.00	20.00
Total			289.89	252.95

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Annexure-II

The following documents/ information should be submitted to BWR:

1. Confirmation from the Company that all the terms and conditions stipulated in the Bank's Term loan sanction letter has been fully complied with.
2. Certified copy of periodical book debts/bills receivables statements submitted to the bank.
3. Confirmation about payment of installment and interest as and when paid.
4. Schedule of Term Loan installments and Interest due and payment made so far.
5. Certified copy of Quarterly Information Statements (QIS) and Half Yearly Information Statements (HYIS) submitted to the bank.
6. Certified copy of Banks' Statements of Accounts on a quarterly basis.
7. Quarterly / Half yearly financial statements (unaudited or with limited review) and Annual financial statements (provisional as well as audited).
8. Information on delays/default in servicing bank loans, letters of credit, letters of guarantee, NCDs, bonds and other borrowings, if any, by the Company as at the end of March, June, September and December each year.
9. Information on delays / defaults in servicing of debt obligations of any subsidiary / other group companies, if any, as at the end of March, June, September and December each year.
10. Any other statement / information sought by BWR from time to time.
11. All the aforesaid information shall be mailed to dat@brickworkratings.com

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Page 4 of 4