

Kannu Aditya (India) Limited

October 29, 2020

Ratings

Facilities/ Instruments	Amount (Rs. Crore)	Rating ¹	Rating Action
Long term Bank Facilities	-	-	Withdrawn
Short term Bank Facilities	-	-	Withdrawn
Total	-		

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating of 'CARE D; Issuer Not Cooperating' [Single D; ISSUER NOT COOPERATING] assigned to the Bank facilities of Kannu Aditya (India) Limited with immediate effect, as the company is undergoing Insolvency Resolution Process under Hon'ble NCLT. Therefore, it may no longer be useful or necessary for CARE to maintain a rating on the rated entity's obligations.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Lal Mahal Group (SLMG) was established in year 1907. The two main companies of the group are Shri Lal Mahal Limited (SLML) and Kannu Aditya (India) Limited (KAIL). The group is primarily engaged in milling, processing and selling of rice primarily basmati rice with four processing plants under SLML, one each in Delhi, Gujarat, Haryana and Andhra Pradesh with aggregate installed capacity of 40MT/hr and one rice processing mill under KAIL located at Kundli (Haryana) of 10 MTPH. It also engages in trading (both export and domestic) of various agro and non-agro commodities and also has wind power generation capacity of 12.5 MW and a gold jewellery manufacturing unit under SLML. SLML and KAIL are closely-held public limited companies and were incorporated in May 1997 and March 1999, respectively, by Mr Harnarain Aggarwal.

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Brief Financials (Rs. crore)	FY15 (A)	FY16 (A)
Total operating income	623.40	700.40
PBILDT	38.92	34.44
PAT	9.69	9.85
Adjusted Overall gearing (times)	2.36	2.04
Interest coverage (times)	1.65	1.99

A: Audited

Status of non-cooperation with previous CRA: NA

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based/Non-fund-based-LT/ST	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based/Non-fund-based-LT/ST	LT/ST	-	-	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (22-Oct-19)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (12-Jul-18)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (12-Apr-17)
2.	Non-fund-based - ST-BG/LC	ST	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (22-Oct-19)	1)CARE D; ISSUER NOT COOPERATING* (12-Jul-18)	1)CARE D; ISSUER NOT COOPERATING* (12-Apr-17)

**Issuer not cooperating; Based on best available information*

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA
Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based/Non-fund-based-LT/ST	Simple
2.	Non-fund-based - ST-BG/LC	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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