

## Kesar Multimodal Logistics Limited (Revised)

April 06, 2022

### Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	99.11	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	9.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>108.11</b> <b>(Rs. One Hundred Eight Crore and Eleven Lakhs Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Kesar Multimodal Logistics Limited (KMLL) to monitor the rating vide e-mail communications dated January 04 2022, February 12 2022 and March 21 2022 and telephonic interactions. However, despite our repeated requests, KMLL has not provided the requisite information for monitoring the ratings. Kesar Multimodal Logistics Limited (KMLL) has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

The rating on KMLL's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING\***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of Kesar Multimodal Logistics Limited (KMLL) continues to reflect the ongoing delays in the servicing of debt obligations.

### Detailed description of the key rating drivers

#### Key Rating Weaknesses

##### **Delays in Debt Servicing**

There are on-going delays in servicing of interest and principal. The account has been classified as Non-Performing Asset (NPA) by the bankers.

**Key Rating Strengths:** Not applicable

#### **Analytical approach:** Consolidated

Consolidated financials of Kesar Terminals and Infrastructure Limited (KTIL) along with its subsidiary KMLL has been considered for analysis purpose. KTIL has extended corporate guarantee to the bank facilities availed by KMLL

#### **Applicable Criteria**

*CARE's Policy on Default Recognition*  
*Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings*  
*Criteria for Short Term Instruments*  
*Liquidity Analysis of Non-Financial Sector Entities*  
*Financial ratios – Non-Financial Sector*  
*Rating Methodology - Service Sector Companies*  
*Rating Methodology-Factoring linkages in rating*  
*Policy in respect of Non-cooperation by issuer*

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications

\*Issuer did not cooperate; Based on best available information

### About the Company

Incorporated on September 2011, Kesar Multimodal Logistics Limited (KMLL) is a project SPV created to set up a composite logistic hub on a land area of 88.3 acres provided by Madhya Pradesh State Agricultural Marketing Board (Mandi Board) on design, build, finance, operate and transfer (DBFOT) basis. The company is a part of Kilachand group having a track record of more than seven decades in various business segments such as sugar, distillery, storage and other agro products. The two main companies of the group are Kesar Enterprises Ltd (KEL) which is involved in the manufacture and sale of sugar, industrial alcohol, extra neutral alcohol (ENA) and country liquor and Kesar Terminals and Infrastructure Ltd (KTIL) which is involved in handling of bulk liquid storage at Kandla Port for three decades. Kesar Terminals and Infrastructure Ltd (KTIL) was incorporated in 2008 to take over the storage division of Kesar Enterprises Ltd (KEL; rated CARE D). The storage division was demerged from KEL with the intention to expand the business. KEL is engaged in manufacturing of sugar and also has a distillery unit. KTIL in association with KEL has set up a Special Purpose Vehicle named "Kesar Multimodal Logistics Limited" (KMLL) in FY12 to execute its project of setting up a Composite Logistic Hub on an area of 88.3 acres of leased land provided by Madhya Pradesh State Agricultural Marketing Board (Mandi Board) on design, build, finance, operate and transfer (DBFOT) basis. With effect from Feb 16 2018, KMLL has become wholly owned subsidiary of KTIL.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	9MFY22(UA)
Total operating income	42.04	40.30	NA
PBILDT	20.81	24.86	NA
PAT	16.85	11.83	NA
Overall gearing (times)	8.90	8.90	NA
Interest coverage (times)	0.83	0.83	NA

A: Audited; UA: Un-audited; NA: not available

**Status of non-cooperation with previous CRA:** Not applicable

**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	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	October 2024	99.11	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	9.00	CARE D; ISSUER NOT COOPERATING*

### 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 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	99.11	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (05-Apr-21)	1)CARE D (02-Apr-20)	-
2	Non-fund-based - ST-BG/LC	ST	9.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (05-Apr-21)	1)CARE D (02-Apr-20)	-

\*Long term/ short term

**Annexure-3: Detailed explanation of covenants of the rated facilities-** Not applicable

### Annexure 4: Complexity level of various instruments rated for this Company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Term Loan	Simple
2	Non-fund-based - ST-BG/LC	Simple

### Annexure 5: Bank Lender Details

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) 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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