

Kothari Products Limited

August 29, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long term facilities	-	-	Reaffirmed and Withdrawn
Short term facilities	-	-	Reaffirmed and Withdrawn
Total Facilities	-		

Details of facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has reaffirmed and withdrawn the outstanding rating of CARE BBB-; Negative/CARE A3 assigned to the bank facilities of Kothari Products Limited. The above action has been taken at the request of Kothari Products Limited and 'No Dues Certificate' received from the banks that had extended the facilities rated by CARE.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Kothari Products Limited (KPL) was set up as a partnership firm and was originally engaged in manufacturing of Pan Masala and Gutka under the brand 'Pan Parag'. KPL was reconstituted as a public limited company in 1994. However, in 1999, the group was divided and KPL was taken over by Mr. Deepak Kothari. With effect from November 2008, the 'Pan Masala' business was demerged into a separate entity, Pan Parag India Limited, managed by Mr. Deepak Kothari.

KPL is primarily engaged in international trading of various products and commodities which include coal, agro based commodities, storage devices, transformers, edible oil, steel, tiles, polyvinyl chloride (PVC), metals etc. The company along with its subsidiaries and other group entities is also engaged in real estate development and leasing

Brief Financials (Consolidated) (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	6371.30	5798.27
PBILDT	110.26	222.29
PAT	55.35	123.57
Overall gearing (times)	1.44	1.01
Interest coverage (times)	2.45	3.78

A: Audited

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not Applicable

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

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

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Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Fund-based - ST-EPC/PSC	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BBB-; Negative (07-Jun-19) 2)CARE BBB-; Negative (27-Aug-19)	1)CARE BBB-; Negative (04-Oct-18) 2)CARE BBB-; Negative (24-Aug-18) 3)CARE BBB+; Stable (01-Jun-18)	1)CARE A-; Stable (20-Sep-17)	1)CARE A- (12-Oct-16)
2.	Fund-based - ST-EPC/PSC	ST	-	-	1)CARE A3 (07-Jun-19) 2)CARE A3 (27-Aug-19)	1)CARE A3 (04-Oct-18) 2)CARE A3 (24-Aug-18) 3)CARE A2 (01-Jun-18)	1)CARE A2+ (20-Sep-17)	1)CARE A2+ (12-Oct-16)
3.	Non-fund-based - ST-BG/LC	ST	-	-	1)CARE A3 (07-Jun-19) 2)CARE A3 (27-Aug-19)	1)CARE A3 (04-Oct-18) 2)CARE A3 (24-Aug-18) 3)CARE A2 (01-Jun-18)	1)CARE A2+ (20-Sep-17)	1)CARE A2+ (12-Oct-16)

Annexure-3: NA

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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