

CARE/DRO/RL/2019-20/1962

Mr. Ravinder Kumar Verma

Manager - Banking & Finance

Kothari Products Limited

Pan Parag House, 24/ 19, The Mall,

Kanpur, Uttar Pradesh – 208 001

August 28, 2019

Confidential

Dear Sir,

Review and Withdrawal of ratings assigned to the Bank facilities of Kothari Products Limited

At the request of the company vide email dated July 30, 2019 along with 'No Dues Certificate' dated April 06, 2019, March 30, 2019, April 02, 2019, April 04, 2019, March 30, 2019, April 03, 2019, April 12, 2019, May 24, 2019 from Canara Bank, State Bank of India, Punjab National Bank, UCO Bank, Bank of India, Indian Overseas Bank, Andhra Bank, Allahabad Bank respectively, we hereby reaffirm and withdraw the outstanding rating(s) of 'CARE BBB-; Negative/CARE A3' [Triple B Minus; Outlook: Negative/ A Three] assigned to the bank facilities of your company with immediate effect.

2. As per our normal procedure, we will be announcing the withdrawal of the rating through a Press Release, a copy of which is enclosed. **Meanwhile, please ensure that ratings are not used hereafter, for any purpose whatsoever.**

3. In case of any future rating requirements, we will be happy to offer our services.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,





[Akshit Garg]

Analyst

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Senior Manager

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Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. 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

Annexure
Press Release
Kothari Products Limited

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 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

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

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

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