

July 18, 2019

LT Foods Limited: Ratings withdrawn

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Working Capital Limits	902.62	902.62	[ICRA]A- (Stable) ISSUER NOT COOPERATING; withdrawn
Term Loans	92.50	92.50	[ICRA]A- (Stable) ISSUER NOT COOPERATING; withdrawn
Unallocated	170.0	170.0	[ICRA]A- (Stable) ISSUER NOT COOPERATING; withdrawn
Non Fund Based Limits	72.0	72.0	[ICRA]A2+ ISSUER NOT COOPERATING; withdrawn
Total	1237.12	1237.12	

*Instrument details are provided in Annexure-1

Rationale

The ratings have been withdrawn in accordance with ICRA's policy on withdrawal and suspension, and as desired by the company on receipt of no objection certificate provided by the bankers.

Outlook: Not applicable

Key rating drivers

Key rating drivers have not been captured as the rated instruments are being withdrawn.

Liquidity position

Liquidity position has not been captured as the rated instruments are being withdrawn.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating Rating Methodology for Issuers in the Indian Rice Industry
Parent/Group Support	Not applicable
Consolidation / Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of LT Foods Limited. As on March 31, 2018, the company had twenty-one subsidiaries and five associates/joint ventures (enlisted in Annexure-2).

About the company

Incorporated in the year 1990, LTF is engaged in the business of milling, processing and marketing of basmati rice. LTF has been promoted by three brothers – Mr. Vijay Kumar Arora, Mr. Ashwini Arora and Mr. Surinder Arora. The company has established brand presence, both in the domestic and international markets with well-known brands including 'Daawat' and 'Heritage'. LTF's manufacturing facilities are in Haryana and Punjab. On a consolidated basis, the Group has a milling capacity of around 84.0 TPH.

Key financial indicators (Consolidated) - LTF

	FY2018	FY2019
Operating Income (Rs. crore)	3,633.7	3,890.4
PAT (Rs. crore)	146.2	137.5
OPBDITA/OI (%)	11.0%	10.2%
RoCE (%)	14.5%	12.1%
Total Debt/TNW (times)	1.3	1.2
Total Debt/OPBDITA (times)	3.9	4.2
Interest coverage (times)	2.7	2.9

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Instrument	Type	Current Rating (FY2020)		Date & Rating July 2019	Chronology of Rating History for the past 3 years		
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)		Date & Rating in FY2019 January 2019	Date & Rating in FY2018 January 2018	Date & Rating in FY2017 January 2017
1 Working Capital Limits	Long Term	902.62	-	[ICRA]A- (Stable) ISSUER NOT COOPERATING; withdrawn	[ICRA]A- (Stable) ISSUER NOT COOPERATING	[ICRA]A- (Stable)	[ICRA]BBB (Stable)
2 Term Loans	Long Term	92.50	92.50	[ICRA]A- (Stable) ISSUER NOT COOPERATING; withdrawn	[ICRA]A- (Stable) ISSUER NOT COOPERATING	[ICRA]A- (Stable)	[ICRA]BBB (Stable)
3 Unallocated	Long Term	170.0	-	[ICRA]A- (Stable) ISSUER NOT COOPERATING; withdrawn	[ICRA]A- (Stable) ISSUER NOT COOPERATING	[ICRA]A- (Stable)	[ICRA]BBB (Stable)
4 Non Fund Based Limits	Short Term	72.0	-	[ICRA]A2+ ISSUER NOT COOPERATING; withdrawn	[ICRA]A2+ ISSUER NOT COOPERATING	[ICRA]A2+	[ICRA]A3+

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Working Capital Limits	-	-	-	902.62	[ICRA]A- (Stable) ISSUER NOT COOPERATING; withdrawn
NA	Term Loans	-	-	-	92.50	[ICRA]A- (Stable) ISSUER NOT COOPERATING; withdrawn
NA	Unallocated	-	-	-	170.0	[ICRA]A- (Stable) ISSUER NOT COOPERATING; withdrawn
NA	Non Fund Based Limits				72.0	[ICRA]A2+ ISSUER NOT COOPERATING; withdrawn

Source: LT Foods Limited

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Subsidiaries		
LT Overseas North America, Inc. USA	100%	Full Consolidation
LT Foods Americas, Inc.	100%	Full Consolidation
LT Foods USA LLC	100%	Full Consolidation
Universal Traders, Inc.	100%	Full Consolidation
LT Foods Middle East DMCC	100%	Full Consolidation
Sona Global Ltd. UAE	100%	Full Consolidation
Daawat Foods Limited	70%	Full Consolidation
Nature Bio Foods Limited	100%	Full Consolidation
Expo Services Private Limited	80%	Full Consolidation
SDC Foods India Limited	80%	Full Consolidation
Fresco Fruits & Nuts Pvt Limited	70%	Full Consolidation
LT Agri Services Private Limited	70%	Full Consolidation
LT International Limited	90%	Full Consolidation
Raghuvesh Foods & Infrastructure	100%	Full Consolidation
Raghuvesh Power Projects Limited	36%	Equity method
Raghunath Agro Industries Private Limited	96%	Full Consolidation
LT Foods International Limited	100%	Full Consolidation
LT Foods Europe B.V.	100%	Full Consolidation
Deva Singh Sham Singh Export Private Limited	100%	Full Consolidation
Nature Bio-Foods B.V.	100%	Full Consolidation
NBFL INC	100%	Full Consolidation
Associates/Joint Ventures		
Raghuvesh Agri Foods Private Limited	40%	Equity method
Raghuvesh Warehousing Private Limited	40%	Equity method
Raghuvesh Infrastructure Private Limited	30%	Equity method
Genoa Rice Mills Private Limited	50%	Equity method
Daawat Kameda India Private Limited	51%	Equity method

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