

June 24, 2021

LML Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Preference Shares Capital	125.00	125.00	[ICRA]D ISSUER NOT COOPERATING*; Continues to remain under the 'Issuer Not Cooperating' category
Total	125.00	125.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has retained the ratings for the bank facilities of LML Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D: ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

LML Limited (LML) was promoted in 1972 as Lohia Machines Limited by the Singhania family to manufacture machinery for the synthetic fibres industry. Later, it diversified into production of 100 cc scooters, in technical collaboration with Piaggio Vespa, of Italy in 1984. Piaggio later took up 23.5% equity stake, which it later divested in favour of the Indian promoters

pursuant to the settlement reached following certain legal disputes, which were settled out of court. Subsequently, the company entered into technical collaboration with Daelim Motor Company, South Korea (DMC) to set up a small capacity for manufacturing of four-stroke motorcycles. Following a strike by the workers, LML had declared a lock-out at its factory in Kanpur with effect from March 7, 2006. The lock-out remained in place for over a year and the same was lifted only in April 2007 pursuant to a tripartite agreement reached between the company, the Trade Union and the Labour Department of Government of Uttar Pradesh. The company, filed a petition on May 22, 2017 under 2 section 10 of the Insolvency & Bankruptcy Code, 2016 with National Company Law Tribunal (NCLT), Allahabad bench. The company is under Corporate Insolvency Resolution Process and the net worth of the company has been fully eroded and its current liabilities exceed its current assets as on December 31, 2017.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					24-June- 2021	09-June- 2020	31-May-2019	22-Feb-2018
1	Preference Share Capital	Long-Term	125.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Preference Share Capital	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's 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	Preference Share Capital	-	-	-	125.00	[ICRA]D; (ISSUER NOT COOPERATING)

Source: LML Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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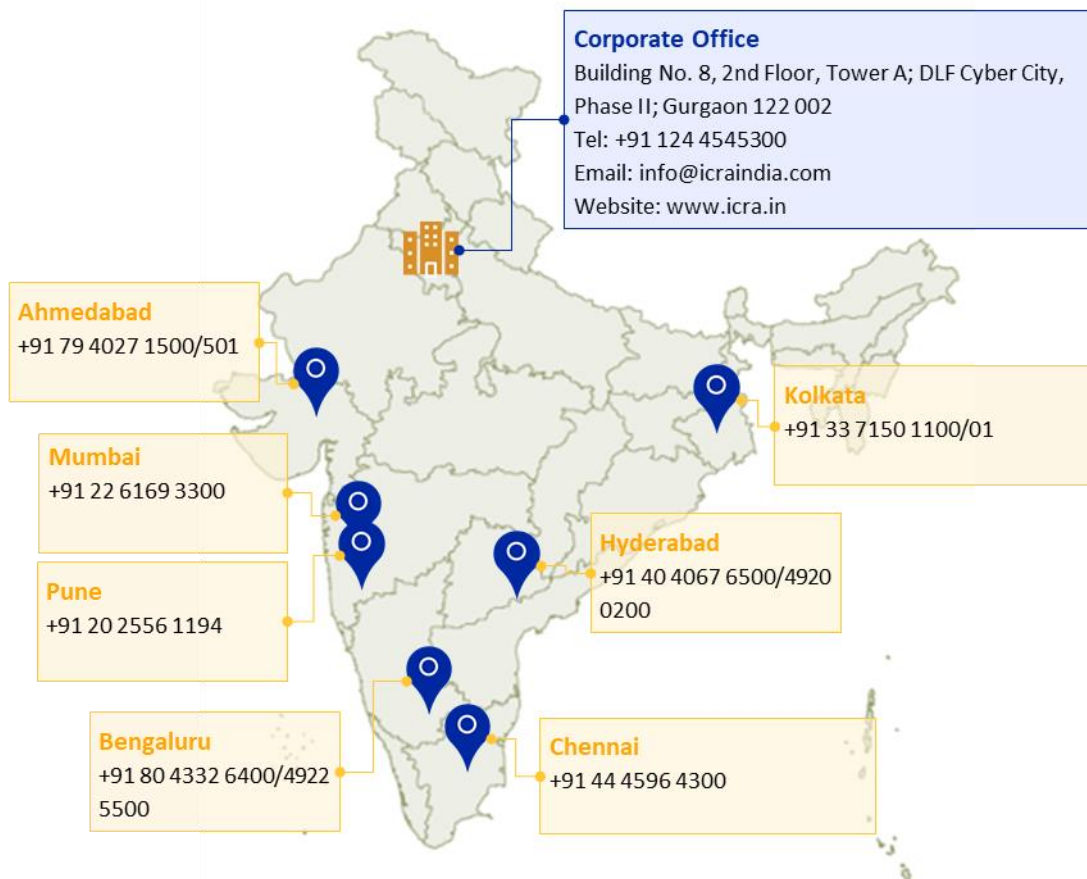


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