

November 30, 2022

Kohinoor Speciality Foods India Private Limited: Ratings moved to ISSUER NOT COOPERATING Category; [ICRA]A+(CE) (Stable) ISSUER NOT COOPERATING; Withdrawn; [ICRA]BB+(Stable) ISSUER NOT COOPERATING, Assigned

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Working Capital	225.00	225.00	[ICRA]A+(CE) (Stable) ISSUER NOT COOPERATING; Ratings moved to 'Issuer Not Cooperating' category
			[ICRA]A+(CE) (Stable) ISSUER NOT COOPERATING; Withdrawn; [ICRA]BB+(Stable) ISSUER NOT COOPERATING, assigned simultaneously
Total	225.00	225.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has Moved the ratings for the bank facilities of **Kohinoor Speciality Foods India Private Limited (KSF)** in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]A+ (CE) (Stable) ISSUER NOT COOPERATING"

As part of its process and in accordance with its rating agreement with **Kohinoor Speciality Foods India Private Limited**, 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. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Subsequently, ICRA has withdrawn its rating of [ICRA]A+ (CE) (Stable); ISSUER NOT COOPERATING for the bank facilities of **Kohinoor Speciality Foods India Private Limited** and has simultaneously assigned a fresh rating of [ICRA]BB+ (Stable) ISSUER NOT COOPERATING for these facilities. The rating action follows the Guidance Note and the FAQ document issued by the Reserve Bank of India (RBI) to the credit rating agencies on April 22, 2022, and July 26, 2022, respectively, guiding that the benefit of a corporate guarantee that does not meet the evaluation mechanism/ criteria defined by the RBI is not to be considered while assigning the credit enhanced (CE) ratings. However, due to absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers, Key financial indicators and their description, Liquidity position, Rating sensitivities: [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	Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity Approach for rating debt instruments backed by third-party explicit support Policy on withdrawal of credit ratings
Parent/Group support	Parent: McCormick & Company, Incorporated The unsupported rating factors in the high likelihood of its parent, McCormick, extending financial support because of the ownership structure and business linkages between the entities. McCormick has a track record of extending financial support to KSF and has extended unconditional and irrevocable corporate guarantees in favour of the banks

	that have sanctioned working capital facilities to KSF.
Consolidation/Standalone	The rating is based on the standalone financial profile of the company

About the company

KSF was in the business of selling basmati rice under the Kohinoor brand in India and had also launched spice range products (including pices, frozen foods, ready-to-eat products and sauces) in northern India. On May 3, 2022, Adani Wilmar Limited (AWL) announced signing an IP Assignment Agreement with McCormick Switzerland GmbH, for acquiring various domestic intellectual property rights, title and claims under the trademark, Kohinoor, and various other trademarks together with goodwill, subject to mutually agreed terms and conditions. With the acquisition the exclusive rights over the brand, Kohinoor basmati rice, along with other spice range products portfolio under the Kohinoor brand umbrella in India, which were being used by Kohinoor Speciality Foods India Private Limited (KSF), were transferred to Adani Wilmar Limited. As of May 26, 2022, KSF continued operating its IT and business support services segment wherein it provides services to its parent entity and other Group companies across the globe.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Amount outstanding (Rs. Crore)	Current rating (FY2023)		Chronology of rating history for the past 3 years			
				Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020	
				Nov 30, 2022	May 26, 2022	Nov 30, 2021	Aug 07, 2020	Apr 22, 2019	
1	Fund Based – Working capital	Long Term	225.00	-	[ICRA]A+(CE) (Stable) ISSUER NOT COOPERATING; Ratings moved to 'Issuer Not Cooperating' category	[ICRA]A+(CE) (Stable)	[ICRA]A+(CE) (Stable)	[ICRA]A+(CE) (Stable)	[ICRA]A+(SO) (Stable)
					[ICRA]A+(CE) (Stable) ISSUER NOT COOPERATING; Withdrawn; [ICRA]BB+(Stable) ISSUER NOT COOPERATING, assigned simultaneously	[ICRA]A+(CE) (Stable)	[ICRA]A+(CE) (Stable)	[ICRA]A+(CE) (Stable)	[ICRA]A+(SO) (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based – Working 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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term – Fund Based – Working Capital	-	-	-	225.00	[ICRA]A+(CE) (Stable) ISSUER NOT COOPERATING; Ratings moved to 'Issuer Not Cooperating' category [ICRA]A+(CE) (Stable) ISSUER NOT COOPERATING; Withdrawn; [ICRA]BB+(Stable) ISSUER NOT COOPERATING, assigned simultaneously

Source: Company

Annexure II: 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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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