



Press Release

Krishna Defence and Allied Industries Limited February 29, 2024

Ratings:

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Rating Action	Complexity Indicator
Long term bank facilities	14.06	IVR BB/Negative outlook; ISSUER NOT COOPERATING* (IVR Double B with Negative outlook; Issuer Not Cooperating) *and withdrawn	Reaffirmed and withdrawn	Simple
Short term bank facilities	19.00	IVR A4, ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating) * and withdrawn	Reaffirmed and withdrawn	Simple
Proposed Long term bank facilities	1.94	IVR BB/Negative outlook; ISSUER NOT COOPERATING* (IVR Double B with Negative outlook; Issuer Not Cooperating) *and withdrawn	Reaffirmed and withdrawn	Simple
Total	35.00			

Details of Facilities are in Annexure 1

Detailed Rationale:

Infomerics Valuation and Rating Private Limited has reaffirmed the ratings to the bank facilities of Krishna Defence and Allied Industries Limited at IVR BB/Negative outlook; Issuer Not Cooperating to long term bank facilities and IVR A4, Issuer Not Cooperating to the short-term facilities and simultaneously withdrawn the ratings with immediate effect. The above action has been taken at the request of Krishna Defence and Allied Industries Limited and 'No Objection Certificate' received from the bankers who have extended the facilities, and which is rated by Infomerics. The rating is withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.



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Analytical Approach: Standalone

Applicable Criteria:

[Criteria of Rating Outlook](#)

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Policy on Withdrawal of Ratings](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

About the Company:

Krishna Defence & Allied Industries Limited formerly known as Krishna Allied Industries Ltd was incorporated on September 10, 2013, is engaged in the diversified business of manufacturing equipment for Defence, Security, Dairy & Mega Kitchen equipment. To facilitate these 4 verticals, KDAIL has two manufacturing plants located at Kalol and Halol, Panchmahal District, Gujarat. The company combines its manufacturing strength with a pathbreaking strategy to serve the different verticals, Kalol Plant manufactures Dairy & Kitchen equipment, while Halol Plant is engaged in manufacturing Defence and Homeland Security Products.

Financials Standalone

For the year ended* As on	(Rs. crore)	
	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	49.92	63.65
EBITDA	6.89	8.85
PAT	2.46	5.30
Total Debt	17.58	13.02
Tangible Networth	24.12	40.87
EBITDA Margin (%)	13.80	13.90
PAT Margin (%)	4.88	8.20
Overall Gearing Ratio (x)	0.96	0.45



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Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years:

Sr. No	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (Feb 26, 2024)	Date(s) & Rating(s) assigned in 2022-23 (Jan 25, 2023)	Date(s) & Rating(s) assigned in 2021-22
1.	Long term bank facilities	Long Term	14.06	IVR BB/Negative Outlook; ISSUER NOT COOPERATING* and withdrawn	IVR BB/Negative; Issuer Not Cooperating	IVR BB+/Stable	
2.	Short term bank facilities	Short Term	19.00	IVR A4; ISSUER NOT COOPERATING* and withdrawn	IVR A4; Issuer Not Cooperating	IVR A4+	
3.	Proposed Long term bank facilities	Long Term	1.94	IVR BB/Negative Outlook; ISSUER NOT COOPERATING* and withdrawn	IVR BB/Negative; Issuer Not Cooperating	IVR BB+/Stable	



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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

<p>Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.</p>
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Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Long Term Fund Based Facilities – Term Loan	--	--	FY2029	2.06	IVR BB/Negative outlook; ISSUER NOT COOPERATING*



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					(IVR Double B with Negative outlook; Issuer Not Cooperating) * and withdrawn
Long Term Fund Based Facilities – Cash Credit	--	--	--	12.00	IVR BB/Negative outlook; ISSUER NOT COOPERATING* (IVR Double B with Negative outlook; Issuer Not Cooperating) * and withdrawn
Short Term Non-Fund Based Facilities – Bank Guarantee				19.00	IVR A4, ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating) * and withdrawn
Long Term Fund Based Facilities – Proposed				1.94	IVR BB/Negative outlook; ISSUER NOT COOPERATING* (IVR Double B with Negative outlook; Issuer Not Cooperating) * and withdrawn

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at <https://www.infomerics.com/>.