



Press Release

Khandoba Distilleries Limited

August 30, 2024

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	52.60	IVR BB-/ Negative Outlook; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	Downgraded and continued to Issuer Not Cooperating Category	Simple
Short Term Bank Facilities	8.92	IVR A4; ISSUER NOT COOPERATING* [IVR A Four; ISSUER NOT COOPERATING*]	IVR A4; ISSUER NOT COOPERATING* [IVR A Four; ISSUER NOT COOPERATING*]	Reaffirmed and continued to Issuer Not Cooperating Category	Simple
Total	61.52	(Rs. Sixty-One Crore and Fifty-Two Lakh Only)			

**Issuer did not cooperate; Based on best available information*

Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Ratings

The aforesaid long-term rating has been downgraded, short-term rating has been reaffirmed and has been continued under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management cooperation.

Detailed Rationale

The aforesaid rating action to the bank facilities of Khandoba Distilleries Limited reflects lack of adequate information available about the performance of the company and hence the uncertainty around its credit risk. Infomerics Ratings assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



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IVR has rated the bank loan facilities of Khandoba Distilleries Limited in July 2023. Despite close follow up through telephone calls and mails dated July 01, July 05, July 09, July 12, July 20, August 09, August 21, 2024, and concurrently over multiple phone calls for submission of required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, IVR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the Company. Based upon the same IVR has downgraded the long-term, reaffirmed the short-term and continued the long-term bank facilities to IVR BB-/Negative; ISSUER NOT COOPERATING and the short-term bank facilities to IVR A4; ISSUER NOT COOPERATING.

Non-Cooperation by Issuer:

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, IVR has to assign the rating based on the best available information. Accordingly, the bank loan facilities of Khandoba Distilleries Limited, aggregating to Rs 61.52 crore have been continued to 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB-/Negative; ISSUER NOT COOPERATING and IVR A4; ISSUER NOT COOPERATING.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

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

[Complexity Level of Rated Instruments/Facilities](#)

[Criteria for assigning Rating Outlook](#)

[Instrument/Facility wise Default Recognition & Post-Default Curing Period](#)

Liquidity: Unable to comment due to lack of adequate information



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About the Company

Khandoba Distilleries Limited (KDL) was incorporated on 18th April 2007 with its head office located in Pune. The distillery unit of KDL is located in Solapur with an installed capacity of 110 Kilo Liters Per Day (KLPD). Mr. Laxman Nivruttirao More, Mr. Pravin More, Mr. Shankarrao Shriranrao Bhise are the directors of the company. The company is engaged in manufacturing of Rectified Spirits (RS), Extra Neutral Alcohol (ENA), Denatured Spirits (DS) & other related products.

Financials (Standalone):

For the year ended* / Rs. Crore	(Rs. Crore)	
	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	120.51	60.49
EBITDA	21.32	15.02
PAT	4.07	5.89
Total Debt	59.44	48.65
Tangible Net Worth	61.26	65.68
EBITDA Margin (%)	17.69	24.83
PAT Margin (%)	3.37	9.53
Overall Gearing Ratio(x)	0.97	0.74
Interest Coverage(x)	2.70	2.50

**Classification as per Infomerics` Standard*

Status of non-cooperation with previous CRA: Brickwork Ratings India Private Limited vide its press release dated October 12, 2023, have continued to classify the case under Issuer Not Cooperating category on account of non-submission of relevant information.

Any other information: Not Applicable



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Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-2022
					July 03 rd , 2023	May 31 st , 2022	March 24 th , 2021
1.	Long Term Bank Facilities	Long Term	52.60	IVR BB-/Negative; INC	IVR BB/Negative; INC	IVR BB+; INC	IVR BBB-/Stable
2.	Short Term Bank Facilities	Short Term	8.92	IVR A4; INC	IVR A4; INC	IVR A4+; INC	IVR A3

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

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Long Term-term Loan	--	--	--	April 2024 [#]	19.30	IVR BB-/ Negative; ISSUER NOT COOPERATING*
Long Term-term Loan	--	--	--	March 2024 [#]	11.99	IVR BB-/ Negative; ISSUER NOT COOPERATING*
Long Term fund based cash credit	--	--	--	-	19.00	IVR BB-/ Negative; ISSUER NOT COOPERATING*
Long Term fund based limit- Covid Add TL	--	--	--	May 2022 [#]	1.37	IVR BB-/ Negative; ISSUER NOT COOPERATING*
Long Term fund based limit- Covid Add TL	--	--	--	May 2022 [#]	0.43	IVR BB-/ Negative; ISSUER NOT COOPERATING*
Long Term fund based limit- FITL	--	--	--	March 2021 [#]	0.40	IVR BB-/ Negative; ISSUER NOT COOPERATING*
Long Term fund based limit- FITL	--	--	--	March 2021 [#]	0.11	IVR BB-/ Negative; ISSUER NOT COOPERATING*
Short Term Fund Based Limits- Bank Guarantee	--	--	--	-	8.92	IVR A4; ISSUER NOT COOPERATING

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

#Latest information not available.

Annexure 2: Facility wise lender details

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable



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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 www.infomerics.com.

