



Press Release

Boudh Distillery Private Limited

March 28, 2025

Ratings

Security / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	96.76 (Reduced from Rs.118.74 crore and including proposed limit of Rs. 15.00 crore)	IVR BBB-/ RWN (IVR Triple B Minus Placed on Rating Watch with Negative Implications)	IVR BBB-/ RWN (IVR Triple B Minus Placed on Rating Watch with Negative Implications)	Rating Reaffirmed	Simple
Total	96.76 (Rs. Ninety-Six Crore and Seventy-Six Lakhs only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The rating reaffirmation of Boudh Distillery Private Limited (BDPL) considers improvement in the business performance of the company in FY24 [FY refers to period from April 1 to March 31] and subsequently in 10MFY25, albeit moderation in operating margin and PAT margin, satisfactory capital structure with comfortable debt protection parameters. Furthermore, the rating continues to derive strength from its experienced promoter, locational advantage, repeat order from reputed clients and favorable demand outlook of its product, Extra Neutral Alcohol (ENA). However, these rating strengths remain constrained due to their susceptibility of profitability to volatility in input prices, vulnerability to regulatory change in the liquor industry and exposure to intense competition in the industry.

In December 2023, an income tax (IT) raid was conducted at the premises of the company and premises of its other group entities in Odisha and Jharkhand. In the said IT raids, some amount of cash was recovered from the premise of Baldeo Sahu and Sons (a group concern of BDPL) where two of the directors of BDPL are partners. Infomerics Ratings has maintained the ratings of BDPL under Rating Watch with Negative Implications in view of the possible impact of the said IT raid on the operational, financial and liquidity profile of the company. Infomerics will continue to monitor the development in this regard of the consequent overall performance of the entity and take rating action accordingly.

Key Rating Sensitivities:

Upward Factors



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- Sustained growth in operating income and improvement in profitability leading to improvement in debt protection metrics.
- Sustenance of the capital structure with overall gearing maintained below 1x coupled with continuous improvement in debt protection metrics.
- Geographical diversification in sales.

Downward Factors

- Moderation in operating income and/or cash accrual or deterioration in operating margin to below 10%.
- Deterioration in overall gearing to over 1.00x and interest coverage to below 3x
- Elongation in the operating cycle leads to moderation in liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters**

The company is promoted by Ranchi based one Sahu Family which has around eight decade-long experience in the liquor industry. In Odisha, they have more than 50 mini distilleries where liquor is manufactured from Mahua flower and sold to retail outlets across the state. Apart from this, they have an established presence in liquor retailing in Jharkhand, Odisha and West Bengal. They also have bottling plants for Indian made foreign liquor (IMFL) in the state of Odisha and Jharkhand.

- **Locational advantage**

BDPL has a grain-based distillery in Boudh District of Odisha which provides locational advantage in terms of availability of raw material (Broken Rice). Broken Rice, a by-product of rice manufacturing unit is available in abundance in Odisha and other nearby states like West Bengal, Bihar and Jharkhand. Besides, due to absence of any other large size grain-based distillery, demand for ENA outpaces supply in the State of Odisha.

- **Repeat orders from a reputed clientele.**

The company has reputed client base, which includes renowned liquor entities such as Pernod Richard India Pvt Ltd, United Spirits Ltd, IOCL etc. The company gets repeat orders from its reputed clientele, reflecting BDPL's acceptable product quality. Apart from this, the reputed client base largely reduces counterparty risk.

- **Improvement in business performance in FY24 and 10MFY25; albeit moderation in operating margin and PAT margin.**



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The total operating income (TOI) of the company significantly improved by ~109% i.e. from Rs.161.34 crore in FY23(A) to Rs. 336.58 crore in FY24(A) driven by enhanced scale of operation attributable to increase in its capacity utilization from 19.80 million bulk liters to 39.60 million bulk liters from FY24 onwards, coupled with increased demand of Ethanol. BDPL focuses more on Ethanol as its revenue contribution increased from ~3% in FY23(A) to ~28% in FY24(A) on the back of better sales realisation. Notwithstanding the increase in TOI, EBITDA margin moderated from 15.79% in FY23(A) to 12.92% in FY24(A) mainly due to the increase in raw material (mainly high-quality rice) cost and other operating costs. The cost of the raw materials increased due to the price inflation in the rice industry. The PAT margin also moderated from 6.74% in FY23(A) to 2.54% in FY24(A) driven by an increase in finance cost and depreciation charges mainly due to completion of capacity enhancement capex resulting in increase in gross block and long-term borrowings. In 10MFY25, BDPL already achieved a turnover of Rs. 335.23 crores.

- **Satisfactory capital structure with comfortable debt protection parameters**

The capital structure of the company remains satisfactory marked by its long-term debt equity ratio and overall gearing ratio of 0.65x and 0.85x respectively as on March 31, 2024, as against long-term debt equity ratio and overall gearing ratio of 0.81x and 0.91x as on March 31, 2023, on the back of accretion of profit to adjusted net worth and scheduled repayment of debts. However, with the increase in finance cost, ICR though continued to remain comfortable moderate from 10.12x in FY23(A) to 5.00x in FY24(A). However, other debt coverage indicator marked by Total debt / EBITDA and Total debt / NCA improved to 2.28x and 3.06 years respectively as on March 31, 2024, from 3.86x and 5.14 years respectively as on March 31, 2023, underpinned by increase in gross cash accruals from Rs.19.12 crore in FY23(A) to Rs.32.41 crore in FY24(A).

- **Favourable demand outlook**

The outlook for distillery units is expected to remain stable in the near to medium term driven by growing demand of liquor across the country and growth in demand of Ethanol due to government push for reduction in fossil fuel.

Key Rating Weaknesses

- **Susceptibility of profitability to volatility in input prices.**

BDPL's major raw material for manufacturing ENA is grain (Broken rice) and the prices of the same are volatile, since grains are seasonal products being susceptible to vagaries of nature.



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- **Vulnerability to regulatory changes in the liquor industry.**

The liquor industry in India is governed by strict government regulations and license regime that differ from state to state. India's states each have their own regulatory controls on the production, marketing and distribution, and even pricing of alcohol. Further, high taxation and duties also make the industry dynamics complex. The business risk profile thus remains vulnerable to any changes in the license authorisation policy, taxes and duty structure.

- **Exposure to intense competition**

The liquor market is largely competitive with the presence of many national and international established brands which restricts growth opportunity and profitability to an extent. Furthermore, a large set of consumers are price sensitive, it is necessary to minimise the cost of inter-state transport through an efficient distribution network and a manufacturing footprint across several states.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria of assigning rating outlook](#)

[Policy on default recognition](#)

[Policy for Placing Ratings on Rating Watch](#)

[Complexity level of Rated Instrument / Facilities.](#)

Liquidity – Adequate

The liquidity profile of the company is expected to remain adequate marked by expected sufficient cash accruals in the range of Rs.36.14 crore - Rs.44.85 crore vis-à-vis its debt repayment obligation of Rs.12.00 crore – Rs.20.29 crore during FY25-FY27. The company has earned gross cash accrual of Rs.32.41 crore in FY24. The overall gearing remained comfortable at 0.85x as on March 31, 2024, indicating a satisfactory gearing headroom. Further, the average working capital utilisation remained moderate at ~74% during the last seven months ended January 2025 indicating a moderate buffer in its working capital limits.

About the Company

Boudh Distillery Private Limited (BDPL) promoted by one Sahu family was originally incorporated in the name of Padmini Trade-Link Private Limited. on December 29, 2008.



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Subsequently, the name of Padmini Trade-Link Private Limited. was changed to Boudh Distillery Private Limited. with effect from April 10, 2015. The Sahu family has been in liquor industry for around eight decades. The company was initially set up as an investment company and in 2016 Sahu family decided to set up grain-based distillery unit to manufacture extra neutral alcohol (ENA), Ethanol and Sanitizer in Boudh district of Odisha. The commercial operations of the distillery unit started in June 2018 with installed capacity of 19.80 million bulk litres (BL) per annum. In FY 23-24, installed capacity enhanced from 19.80 million bulk litres (BL) per annum to 39.60 million bulk litres (BL) per annum.

Financials (Standalone):

For the year ended/ As On*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	161.34	336.58
EBITDA	25.47	43.48
PAT	10.92	8.58
Total Debt	98.19	99.34
Tangible Net worth	107.71	116.29
EBITDA Margin (%)	15.79	12.92
PAT Margin (%)	6.74	2.54
Overall Gearing Ratio (x)	0.91	0.85
Interest coverage Ratio (x)	10.12	5.00

**Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Care Edge rating has continued to classify the rating of BDPL under "ISSUER NOT COOPERATING" category vide its Press Release dated January 31, 2025, due to unavailability of information and non-payment of surveillance fees.

Any other information: Nil

Rating History for last three years:



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S r. N o.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years				
		Type	Amount outstanding. (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24		Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	
					Mar 20, 2024	Dec 28, 2023	Dec 12, 2023	Sept 29, 2022	Nov 29, 2021
1.	Term Loan	Long Term	56.76 [^]	IVR BBB-/ RWNI (IVR Triple B Minus Placed on Rating Watch with Negative Implications)	IVR BBB-/RWNI	IVR BB+/ Negative/ ISSUER NOT COOPE RATING*	IVR BB+/ RWNI	IVR BBB/ Stable	IVR BBB-/Stable
2.	Cash Credit	Long Term	25.00	IVR BBB-/ RWNI (IVR Triple B Minus Placed on Rating Watch with Negative Implications)	IVR BBB-/RWNI	IVR BB+/ Negative/ ISSUER NOT COOPE RATING*	IVR BB+/ RWNI	IVR BBB/ Stable	IVR BBB-/Stable
3.	Proposed Cash Credit	Long Term	15.00	IVR BBB-/ RWNI (IVR Triple B Minus Placed on Rating Watch with Negative Implications)	IVR BBB-/RWNI	-	-	-	-

[^]Outstanding as on February 28, 2025.

*Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly known as Infomerics Valuation and Rating Pvt Ltd] 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



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Annexure 1: Instrument / Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	August 2029	56.76	IVR BBB-/ RWNI
Cash Credit	-	-	-	-	25.00	IVR BBB-/ RWNI
Proposed Cash Credit	-	-	-	-	15.00	IVR BBB-/ RWNI

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-boudh-distillery-mar25.pdf>

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

Annexure 4: List of companies considered for consolidated/ Combined analysis: 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>.