



Press Release

Khandoba Distilleries Limited

July 03, 2023

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings*	Rating Action	Complexity Indicator
Long Term Fund based Facility	52.60	IVR BB/Negative; ISSUER NOT COOPERATING (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	Revised and continued under ISSUER NOT COOPERATING category	Simple
Short Term Facility	8.92	IVR A4; ISSUER NOT COOPERATING (IVR IVR A Four; ISSUER NOT COOPERATING*)	Revised and continued under ISSUER NOT COOPERATING category	Simple
Total	61.52			

**Issuer not cooperating; Based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

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

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the firm, despite the downgrade.

Non-Cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mails communications dated June 09, June 12, June 13, June 14, June 16, and June 19, 2023, and concurrently over several phone



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calls. However, despite repeated requests by Infomerics, the firm's management has not submitted all the essential details/information for surveillance exercise.

In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has continued to classify the long-term and short-term bank loan facilities of Khandoba Distilleries Limited aggregating to Rs 61.52 crore under the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB/Negative and IVR A4; ISSUER NOT COOPERATING* (IVR Double B with negative outlook; and IVR A four; ISSUER NOT COOPERATING*).

**Issuer Not Co-operating; based on best available information*

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

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

[Criteria for assigning rating outlook](#)

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.



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Financials (Standalone):

For the year ended / As on	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
EBIDTA Margin (%)	17.69	24.83
PAT Margin (%)	3.37	9.53
Overall Gearing Ratio (x)	0.97	0.74

Status of non-cooperation with previous CRA: Brickwork ratings vide its press release dated July 20, 2022 has continued to classify the ratings of the company under Issuer Not Cooperating category on account of non-submission of relevant information.

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 outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022 (31st May, 2022)	Date(s) & Rating(s) assigned in 2020-2021 (24 March, 2022)	Date(s) & Rating(s) assigned in 2020-21
1.	Long Term Fund based Facility	Long Term	52.60	IVR BB/Negative; ISSUER NOT COOPERATING*	IVR BB+; INC*	IVR BBB-/Stable	-
2.	Short Term Facility	Short Term	8.92	IVR A4; ISSUER NOT COOPERATING*	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.

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

For more information visit www.infomerics.com.

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.



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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- term Loan	-	-	April, 2024	19.30	IVR BB/Negative; INC*
Long Term- term Loan	-	-	March, 2024	11.99	IVR BB/Negative; INC*
Long Term fund based cash credit	-	-	-	19.00	IVR BB/Negative; INC*
Long Term fund based limit- Covid Add TL	-	-	May, 2022	1.37	IVR BB/Negative; INC*
Long Term fund based limit- Covid Add TL	-	-	May, 2022	0.43	IVR BB/Negative; INC*
Long Term fund based limit- FITL	-	-	March, 2021	0.40	IVR BB/Negative; INC*
Long Term fund based limit- FITL	-	-	March, 2021	0.11	IVR BB/Negative; INC*
Short Term Fund Based Limits- Bank Guarantee	-	-	-	8.92	IVR A4; INC*

* Issuer did not cooperate; based on best available information

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

Annexure 3: Facility wise lender details: Not Available

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 www.infomerics.com.