

September 20, 2023

Khemani Distilleries Private Limited: Rating withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based – Term Loan	25.00	25.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating withdrawn
Total	25.00	25.00	

[^]Instrument details are provided in Annexure I

*Issuer did not cooperate; based on best available information

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of **Khemani Distilleries Private Limited** at the request of the company and based on the No Objection Certificate (NOC) received from the banker, and in accordance with ICRA's policy on withdrawal of Credit rating. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings Policy in respect of non-cooperation by the rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the consolidated financials of Khemani Distilleries Private Limited, Royal Distilleries Private Limited (merged in KDPL from October 2021) and their distribution arm, Cosmic traders.

About the company

KDPL belongs to the Khemani Group, which was formed in 1983 by two brothers, Mr. Ashok Khemani and Mr. Suresh Khemani. KDPL, incorporated in 1993, manufactures and sells ENA and IMFL of its in-house brands and USL brands, catering to the Indian (primarily Diu, Daman, Silvassa and Gujarat) and overseas markets. The company has rice/grain-based ENA plant with a capacity of 21.54 million litres per annum and a bottling capacity of 66 lakh cases per annum at the U.T. of Daman. Also, the company has an in-house steam based captive power plant (CPP) with a capacity of 3.75 Mega Watt which helps in saving power costs and an Effluent Treatment Plant (ETP) with a capacity of 600 kilo litre per day that ensures environment compliances are met.

Key financial indicators (Consolidated)

	FY2021	FY2022
Operating Income (Rs. crore)	313.27	326.83
PAT (Rs. crore)	-0.39	-17.87
OPBDIT/OI (%)	17.86%	19.53%
PAT/OI (%)	-0.12%	-5.47%
Total Outside Liabilities/Tangible Net Worth (times)	0.83	0.96
Total Debt/OPBDIT (times)	4.36	2.03
Interest Coverage (times)	2.45	3.07

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation, All ratios as per ICRA calculations,

Key financial indicators (Standalone)

	FY2021	FY2022
Operating Income (Rs. crore)	291.82	322.50
PAT (Rs. crore)	-7.86	-22.35
OPBDIT/OI (%)	16.04%	17.77%
PAT/OI (%)	-2.69%	-6.93%
Total Outside Liabilities/Tangible Net Worth (times)	1.29	0.91
Total Debt/OPBDIT (times)	5.17	2.26
Interest Coverage (times)	2.07	2.77

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation, All ratios as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

SN	Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2023 (Rs. crore)	Current Rating (FY2024)		Chronology of Rating History for the past 3 years		
					Date & Rating in		Date & Rating in	Date & Rating in	Date & Rating in
					Sep 20, 2023	Aug 29, 2023	May 10, 2022		
1	Term Loan	Long-Term	25.00	-*	[ICRA]BB+(Stable); ISSUER NOT COOPERATING; Withdrawn	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	-	-

*Not available

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term - Fund Based – Term Loan	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 Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	2021	NA	2027	25.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING and Withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation approach
Khemani Distilleries Private Limited*	100%	Full consolidation
Cosmic traders	Promoter Owned	Full consolidation

*RDPL was merged in KDPL from October 2021 onwards

ANALYST CONTACTS

Shamsher Dewan

+91 124 4545300

shamsherd@icraindia.com

Srikumar Krishnamurthy

+91 44 45964318

ksrikumar@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

Roshan Dugar

+91 20 6606 9924

roshan.dugar@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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