

## Siddapur Distilleries Limited

May 10, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	24.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Negative;
Short Term Bank Facilities	4.00	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

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

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated February 21, 2023, placed the rating(s) of Siddapur Distilleries Limited (SDL) under the 'issuer non-cooperating' category as SDL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SDL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 07, 2024, January 17, 2024, January 27, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of SDL have been revised on account of non-availability of requisite information. The revision also factored in decline in overall profitability as well as increased debt levels which has led to deterioration in capital structure during FY23 compared to FY22.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

Please refer to PR dated [February 21, 2023](#)

### Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

### About the company

Siddapur Distilleries Ltd (SDL) was incorporated in July, 2003 in Bagalkot, Karnataka and started commercial production in November, 2004. The company has a 3-in-1 molasses-based distillery plant having an installed capacity of 70 KLPD (kilo litres per day) to produce ethanol, rectified spirit and neutral spirit as well as by-products such as biogas and organic manure. The company stopped the production of rectified spirit and neutral spirit from 2018-19. As on date, the company produces ethanol, which is supplied to Oil Marketing Companies. The company has a power plant of 15MW capacity and the byproduct biogas is partially utilised for the captive power plant and partly sold outside. Shri Jagadeesh S Gudagunti is the Chairman & MD of SDL and is assisted by experienced management team headed by CEO Mr. C. D. Haragapure.

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	174.15	274.11
PBILDT	19.40	26.34
PAT	5.60	1.38
Overall gearing (times)	1.95	3.07
Interest coverage (times)	1.81	1.23

A: Audited; Note: 'the above results are latest financial results available'

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Status of non-cooperation with previous CRA:** India Ratings has continued the rating assigned to the bank facilities of SDL into ISSUER NOT COOPERATING category vide press release dated December 27, 2023 on account of its inability to carry out a review in the absence of requisite information from the firm.

Brickwork has continued the rating assigned to the bank facilities of SDL into ISSUER NOT COOPERATING category vide press release dated June 15, 2023 on account of its inability to carry out a review in the absence of requisite information from the firm.

**Any other information:** Not applicable

**Rating history for last three years:** Please refer Annexure-2

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.50	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Mortgage Loan facility/ Asset backed financing		-	-	-	3.42	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March, 2026	8.08	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	4.00	CARE A4; ISSUER NOT COOPERATING*

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

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	8.08	CARE B+; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB-; Negative; ISSUER NOT COOPERATING* (21-Feb-23)	1)CARE BB-; Negative; ISSUER NOT COOPERATING* (22-Dec-21)
2	Fund-based - LT-Cash Credit	LT	12.50	CARE B+; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB-; Negative; ISSUER NOT COOPERATING* (21-Feb-23)	1)CARE BB-; Negative; ISSUER NOT COOPERATING* (22-Dec-21)
3	Fund-based - LT-Mortgage Loan facility/ Asset backed financing	LT	3.42	CARE B+; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB-; Negative; ISSUER NOT COOPERATING* (21-Feb-23)	1)CARE BB-; Negative; ISSUER NOT COOPERATING* (22-Dec-21)
4	Non-fund-based - ST-Bank Guarantee	ST	4.00	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4; ISSUER NOT COOPERATING* (21-Feb-23)	1)CARE A4; ISSUER NOT COOPERATING* (22-Dec-21)

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

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Mortgage Loan facility/ Asset backed financing	Simple
3	Fund-based - LT-Term Loan	Simple
4	Non-fund-based - ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

## Contact us

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### About us:

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