

## Khoday India Limited

February 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	15.00	CARE B+; Stable	Reaffirmed
Long Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation of rating assigned to bank facilities of Khoday India Limited (KIL) continues to factor modest scale of its distillery operations resulting into low operating margins. The rating also takes into account long operating cycle, company's presence in highly regulated environment and competitive nature of the industry. The rating, however, positively factors in continuous promoter's support in form of timely fund infusion, well-established presence of the company, and their century long experience in liquor business.

CARE Ratings Limited (CareEdge Ratings) also takes note of ongoing impending matter of delisting of shares of the company. As per its annual report, KIL, during FY14, had passed a special resolution approving the reduction of paid up capital of the company held by public shareholders which was confirmed by Hon'ble High Court of Karnataka. Further, Ministry of Corporate Affairs (MCA) have also been updated. An application filed by Securities Exchange Board of India (SEBI) for impleadment in the proceedings and recalling the order of reduction of capital was rejected by Hon'ble High Court of Karnataka. SEBI has filed an appeal before the divisional bench and the matter is pending. The Company has made multiple attempts to implement the court's order by fixing the record date for the purpose of drawing up the list of Public shareholders entitled to payment in respect of the shares so cancelled, but the same has neither been acted upon or not taken by BSE Limited. Hon'ble High Court of Karnataka, based upon the application filed by KIL, directed BSE Limited on February 7, 2020, to fix a record date as fixed by the company. In light of this order, KIL wrote to BSE Limited on February 18, 2020 informing that a fresh record date has been fixed on February 28, 2020. However, it was noted by KIL that BSE Limited had not taken the specified date on record since it is still awaiting directions from SEBI in this matter. Consequently, KIL filed an application of contempt with Hon'ble High Court of Karnataka against BSE Limited. BSE Limited has also appealed against the order dated February 7, 2020 before the High Court. Both the matters are currently pending before the Hon'ble High Court of Karnataka. In view of the above facts and legal advice taken by KIL, the company is treating itself as an unlisted entity. Consequently, KIL has ceased its compliance, periodical disclosure and reporting requirement under SEBI LODR Regulations, 2015, as intimated to BSE vide letter dated June 8, 2018. However CareEdge Ratings note that company is still appearing as listed on BSE website with its trading suspended as it is non-compliant with Structural Digital database. CareEdge Ratings would continue to monitor the developments in this regard.

CareEdge Ratings has also withdrawn the rating assigned to the term loan facility of KIL as it has repaid the entire loan and has submitted the term loan account statement in this regard.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Scale of operations of distillery division above Rs. 130 crore along with ICR improving to above 2x.

#### Negative factors

- Lower than envisaged support from promoters
- Any additional debt availed by the company leading to moderation in debt coverage indicators

### Analytical approach: Standalone

#### Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that KIL will continue to sustain its performance aided by its long presence in Southern India region and will continue to benefit from long-standing experience of its promoters.

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

**Detailed description of key rating drivers:****Key weaknesses****Moderate scale of operations and profitability**

The company has improved revenue in FY25 to Rs. 105.79 crores from Rs. 70.96 crores in FY24. Due to high competition, liquor sales were impacted over the last 2 years. Previously company used to sell non premium liquors which was high volume but low margin business but since last 2-years company has started selling premium liquors which generates higher margins. Company is now planning to focus on sales of spirit where better margins are expected. In FY25, the company reported profitability margin of 8.53%. Till H1FY26, company reported TOI of Rs. 68.74 Crores. As such, liquor segment business continues to incur losses however company ability to sustain revenue above Rs. 100 crore would be a key monitorable.

**Competitive nature of the industry**

The domestic Indian made foreign liquor (IMFL) industry is characterised by intense competition, presence of large players with well established brands and distribution network impacts the sales of the company. Further, the organized alcohol industry is dominated by very few large players. Further, high taxation and heavy regulation also make the industry dynamics complex. The regulations at state levels are prone to unanticipated changes which exposes the industry to such regulatory risk. Consequently, it is very difficult for a new entrant to operate in such a regulated environment which provides a competitive advantage to the existing players.

**Expose to regulatory risk**

The industry is vulnerable to the norms and regulations imposed by the government. Also, the prices are controlled by government regulations. The industry is tightly governed by state government which holds the power to control sales and distribution. Ban on all forms of direct and indirect advertising for liquor in the country makes difficult for a company to advertise their products in the market and thus affects sales of the company. Further Government levies various duties like excise duty, sales tax, license fee, Counter veiling Duty etc. which varies from state to state, fluctuation in the same impacts the profitability margins of the company.

**Long working capital cycle**

Given nature of business, company has to keep inventory for maturation which varies from 3 years to 8 years because of which the working capital cycle of the company remains elongated. Working capital cycle of the company declined to 450 days in FY25 from 570 days in FY24 majorly due to decrease in inventory days from 521 days in FY24 to 401 days in FY25. Further collection period has also decreased from 85 days to 98 days in FY25. The average working capital utilisation during the 12 months ended December 31, 2025, is 99.67%.

**Key strengths****Diverse presence in pan India**

The company has an extensive operational track record and an established presence in the domestic IMFL market through its flagship brand, Khoday XXX rum. KIL's portfolio includes other established brands like Peter Scot Whiskey, Red Knight Whiskey, Khoday's XXX Rum, Hercules XXX Rum, Hercules XXX White Rum, Hercules Beer, Constantino Brandy and Honeywell Brandy. The company has diverse distribution network and has a strong presence in the southern region. More than 50% of the total sales is from the Southern part of India.

**Steady support in the form of unsecured loans from promoters**

The promoters have infused Rs. 219.55 crore in the form of unsecured loans till March 31, 2025, to fund KIL's repayment obligations. These loans have no interest or scheduled repayment obligations and are subordinated to the external debt. During FY25, promoters have infused around Rs. 9.69 crores in the business. In addition to continuing to support company's liquidity and cash flow needs, the promoters also hold substantial land parcels either in personal capacity or through group entities which can be liquidated to support KILs' operations.

**Established track record and experienced promoter**

The Khoday group was founded by Khoday Eshwarsa in 1906 and was inherited by his sons Khoday Venkusa, Khoday Lakshmansa and Khoday Krishnasa. Venkusa and Lakshmansa expanded the Group's business activities by creating distillery and stationery divisions. Khoday Distilleries Ltd was incorporated as a private limited company in September 1965. With more than 100 years of existence, Khoday group has extensive experience in diverse business activities. Through their vast experience in the distillery industry, company has established a strong presence in the southern region.

**Liquidity:** Stretched

Liquidity of the company is stretched marked by long operating cycle and near full utilization of working capital limits. Nevertheless, the company is receiving timely fund infusion from promoters to ensure timely debt servicing.

**Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

**About the company and industry****Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Beverages	Breweries & Distilleries

KIL, incorporated on September 28, 1965, as Khoday Distilleries Limited, primarily manufactures and markets IMFL such as malt whisky, gin, brandy and rum. KIL is promoted by House of Khodays, an Indian multi-service business group based in Bengaluru, Karnataka. The group was founded in 1906 by Khoday Eshwarsa. KIL manufacturing facility is located in Bengaluru with installed capacity of 63,000 KLPA.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	70.96	105.79	68.74
PBILDT*	-7.11	9.03	-7.52
Profit after tax (PAT)	-12.49	4.58	-9.21
Overall gearing (x)	0.15	0.11	NA
Interest coverage (x)	-1.58	1.80	NM

A: Audited UA: Unaudited NA: Not Available NM: Not Meaningful; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:**

ICRA continues to maintain the rating of KIL under Issuer Not Cooperating as per PR dated October 28, 2025, as the company did not cooperate in sharing the requisite information and payment of the surveillance fee.

**Any other information:** Not applicable

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

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

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

**Lender details:** Annexure-5

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

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	15.00	CARE B+; Stable
Fund-based - LT-Term Loan	-	-	-	September 30, 2025	0.00	Withdrawn

**Annexure-2: Rating history for 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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE B+; Stable (06-Jan-25)	1)CARE B+; Stable (07-Feb-24)	-
2	Fund-based - LT-Cash Credit	LT	15.00	CARE B+; Stable	-	1)CARE B+; Stable (06-Jan-25)	1)CARE B+; Stable (07-Feb-24)	-

LT: Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not Applicable

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

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

### Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Karthik Raj K Director <b>CARE Ratings Limited</b> Phone: +91-80-46625555 E-mail: <a href="mailto:karthik.raj@careedge.in">karthik.raj@careedge.in</a></p> <p>Himanshu Jain Associate Director <b>CARE Ratings Limited</b> Phone: +91-80-46625528 E-mail: <a href="mailto:himanshu.jain@careedge.in">himanshu.jain@careedge.in</a></p> <p>Manvi Jain Rating Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Manvi.jain@careedge.in">Manvi.jain@careedge.in</a></p>
--	---

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**