

Press Release

Shakti Distilleries Private Limited (SDPL)

26 April, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 8.20 Cr
Long Term Rating (Indicative)	SMERA BB- Issuer not co-operating*

#refer Annexure for details

*The issuer did not co-operate; based on the best available information.

SMERA has reviewed the long term rating of '**SMERA BB-**' (**read as SMERA double B minus**) on the Rs. 8.20 crore bank facilities of Shakti Distillers Pvt Ltd. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Manufacturing Entities: <https://www.smera.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Company

Shakti Distilleries Private Limited (SDPL) was established in 2002 by Mr. Shreyans Baldev Goyal, Mr. Kirtibhai Narottamdas Patel and Mr. Dipak Kumar Mafatlal Patel. It is an ISO 9001:2008 certified company and was formed with an aim to promote ethanol as a green fuel in the country.

The company was set up when there was a significant thrust towards the development of ethanol as a green fuel to limit the consumption of petroleum products. However, with the UPA government's advent, there was an abject lack of policy direction in this segment and the draft policies of the NDA government were never implemented. As a result, the new entrants in the ethanol industry switched towards manufacturing industrial and pharmaceutical grade ethanol instead of fuel grade ethanol.

For FY2016, 90% of the total sales were to pharmaceutical industry, 7% to the chemical and spirits industry while 3% of the sale is to a variety of other industries where ethanol is used as a purifying & cleaning agent. SDPL reported a net profit of Rs. 0.57 crore and an operating income of Rs. 22.66 crore in FY2016 against a net loss of Rs. 0.08 crore and an operating income of Rs. 19.99 crore in FY2015.

Rating History for the last three years

Date	Name of the Facilities	Term	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr)	Ratings/Outlook
February 10, 2017	Cash Credit	LT	NA	NA	NA	4.00	SMERA BB-/ Stable (Assigned)
February 10, 2017	Proposed Cash Credit	LT	NA	NA	NA	1.50	SMERA BB-/ Stable (Assigned)
February 10, 2017	Proposed Term Loan	LT	NA	NA	NA	2.70	SMERA BB-/ Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr)	Ratings
Cash Credit	NA	NA	NA	4.00	*SMERA BB- (Indicative)
Proposed Cash Credit	NA	NA	NA	1.50	*SMERA BB- (Indicative)
Proposed Term Loan	NA	NA	NA	2.70	*SMERA BB- (Indicative)

*Issuer not co-operating

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

SMERA is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Contacts

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ABOUT SMERA

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