

Press Release

Pearl Distillery Limited

March 31, 2021



Rating Update

Total Bank Facilities Rated*	Rs. 200.00 Cr.#
Long Term Rating	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-/Stable)

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long term rating of Pearl Distillery Limited (JTPL) to '**ACUITE BB+** (read as **ACUITE Double B plus**) from **ACUITE BBB-** (read as **Acuite Triple B Minus**) on the Rs. 200 cr bank facilities. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Pearl Distillery Limited, established in 1973, is one of the largest distillation and bottling plants in Andhra Pradesh (AP), promoted by Mr. Shivkumar Reddy. The company has an installed capacity of bottling of 9.75 lakh cases per month & 65 Kilo Liters per day (KLPD) capacity of distillation. PDL has exclusive franchise of United Spirits Limited for Indian-made foreign liquor (IMFL) & the company has been associated with USL since 40 years. The company has its manufacturing unit located in Singarayakonda, Ongole, Andhra Pradesh.

Non-cooperation by the issuer/borrower

Acuité 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 the due date.

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

Applicable Criteria

- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

Any other information

Acuité is in receipt of the latest No Default Statement (NDS) from the rated entity.

Any Material Covenants

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
03-Jan-2020	Working Capital Term Loan	Long Term	80.00	ACUITE BBB-/Stable (Reaffirmed)
	Term Loan	Long Term	120.00	ACUITE BBB-/Stable (Reaffirmed)
05-Oct-2018	Proposed Bank Facility	Long Term	200.00	ACUITE BBB-/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/Outlook
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	80.00	ACUITE BB+ (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	120.00	ACUITE BB+ (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President – Corporate Ratings Tel: 022-49294041 aditya.gupta@acuite.in Neha Agarwal Analyst - Rating Operations Tel: 040-4004 2327 neha.agarwal@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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