

## Press Release

Capricorn Blenders Private Limited (Erstwhile Rhizome Distilleries Private Limited)

October 18, 2022



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.50	-	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	9.50	ACUITE BB+   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	20.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B 'Plus'**) and short term rating of '**ACUITE A4+**' (read as **ACUITE four plus**) on the Rs.20.00 crore bank facilities of Capricorn Blenders Private Limited (CBPL). This rating is now an indicative rating and is based on the best available information.

### About the Company

Hyderabad-based, Capricorn Blenders Private Limited (Erstwhile Rhizome Distilleries Private Limited) (Capricorn) was incorporated 1993 by Mr. Kuldeep Singh, Mr. Manoj Rupani and his family. Capricorn was taken over by Mr. Nishanth Bezawada and his family member in 2014-15. During January 2021, the name of Rhizome Distilleries Private Limited was changed to Capricorn Blenders Private Limited. The Company is engaged in manufacturing and retailing of the country-made and Indian Made Foreign Liquor (IMFL) and also does the job work. The Capricorn has 3 manufacturing units i.e IMFL plant at Medchal, Telangana with a licensed capacity of 24 lakh cases Per Month, IMFL plant at Vijayawada in Andhra Pradesh with 13 lakh cases production capacity and Grain, based Extra Neutral Alcohol (ENA) Unit at Rajahmundry, Andhra Pradesh as backward integration for manufacturing Liquor with an extra Neutral Alcohol capacity of 60 KLPD with co-generation unit of 2 mega-watt (MW) to meet its power requirement.

### Non-cooperation by the issuer/borrower

Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and

noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

### **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 has 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.

### **Rating Sensitivities**

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

### **Material Covenants**

None

### **Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

None

### **Key Financials**

Particulars	Unit	FY 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	106.76	134.30
PAT	Rs. Cr.	5.21	0.72
PAT Margin	(%)	4.88	0.53
Total Debt/Tangible Net Worth	Times	0.46	0.40
PBDIT/Interest	Times	2.26	1.81

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

Capricorn has not cooperated with Care Ratings which has classified it as non-cooperative vide release dated 02-May-2022. The reason provided by Care Ratings is non-furnishing of information for monitoring of ratings.

### **Any other information**

None

### **Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria->

53.htm

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Jul 2021	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	9.50	ACUITE BB+   Stable (Assigned)
	Bills Discounting	Short Term	10.00	ACUITE A4+ (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Karur Vysya Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.50	ACUITE BB+   Stable   Reaffirmed   Issuer not co-operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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