

April 07, 2025

K B D Industries LLP: Ratings downgraded to [ICRA]D and moved to Issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Term loan	53.25	53.25	[ICRA]D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B+(Stable); moved to “Issuer Not Cooperating” category
Unallocated Limits	0.75	0.75	[ICRA]D; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]B+(Stable); moved to “Issuer Not Cooperating” category
Total	54.00	54.00	

^{*}Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure I

Rationale

On April 03, 2025, ICRA received confirmation from the lenders of K B D Industries LLP regarding irregularities in debt servicing on company's borrowing facilities. The lenders indicated that there have been delays in servicing of interest on the term loans since January 2025 largely owing to liquidity pressures emanating from cost and time overruns faced by the 60 kilolitre per day grain-based distillery project being set up by the firm.

As part of its process and in accordance with its rating agreement with K B D Industries LLP, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Liquidity

The liquidity position is poor, reflected in the delays in debt servicing owing to cost and time over-runs in the project being implemented by the firm.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity Policy on Default Recognition
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the firm's standalone financial profile

About the company

KBD Industries LLP (KBDILLP) was incorporated on February 26, 2021, under the Limited Liability Partnership Act, 2008, for manufacturing and selling ethanol and related products. The LLP is setting up a 60-kilolitre-per-day (KLD) grain-based ethanol distillery, mainly using broken rice and maize as the basic raw material, at Khammam, Telangana.

Key financial indicators (audited)

	FY2022	FY2023
Operating income	0.00	0.00
PAT	(0.48)	(1.48)
OPBDIT/OI	-	-
PAT/OI	-	-
Total outside liabilities/Tangible net worth (times)	0.00	0.00
Total debt/OPBDIT (times)	-	-
Interest coverage (times)	(12.4)	(3.3)

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Apr 07, 2025	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	53.25	[ICRA]D; ISSUER NOT COOPERATING	-	-	Mar-28-2024	[ICRA]B+ (Stable)	Dec-06-2022	[ICRA]B+ (Stable)
Proposed term loan	Long term	-	-	-	-	-	-	-	[ICRA]B+ (Stable)
Unallocated limits	Long term	0.75	[ICRA]D; ISSUER NOT COOPERATING	-	-	Mar-28-2024	[ICRA]B+ (Stable)	-	[ICRA]B+ (Stable)

Complexity level of the rated instrument

Instrument	Complexity indicator
Fund based- Term loan	Simple
Unallocated limits	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance / Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term fund-based –Term loan	07.09.2022	NA	Q2, FY31	53.25	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated limits	06.12.2022	NA	NA	0.75	[ICRA]D; ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Girishkumar Kashiram Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Ankit Jain
+91 12 4454 5865
ankit.jain@icraindia.com

Prashant Vasisht
+91 12 4454 5322
prashant.vasisht@icraindiacom

Harshita Singh
+91 12 4454 5306
harshita.singh@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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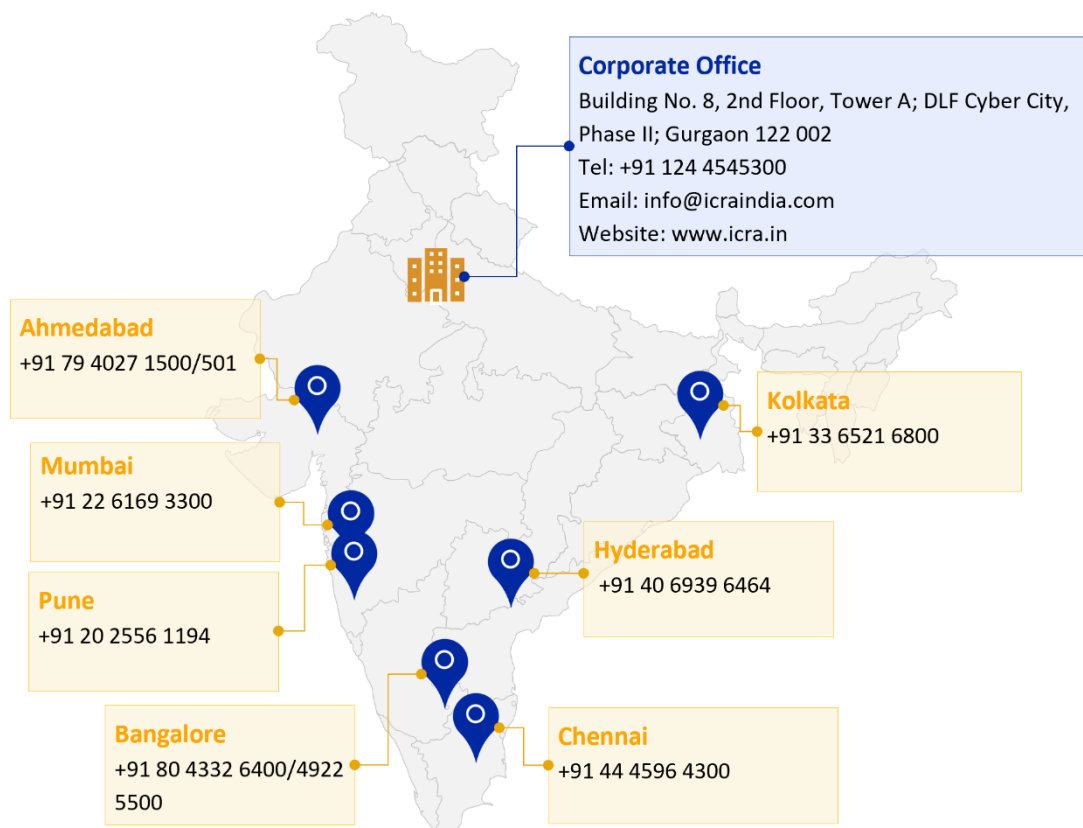
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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