

April 07, 2025

KBK Biotech Private Limited: Continues to remain under issuer Non-Cooperating category; Long Term Rating downgraded based on best available information

Summary of rating action

Instrument ^{^^}	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based - Cash credit	75.00	75.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB(Stable) and continues to remain under 'Issuer Not Cooperating' category
Long-term fund-based - Term loans	60.00	60.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB(Stable) and continues to remain under 'Issuer Not Cooperating' category
Long-term fund-based - Working capital demand loan	124.47	124.47	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB(Stable) and continues to remain under 'Issuer Not Cooperating' category
Long-term non-fund based - Letter of credit [^]	(35.00)	(35.00)	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB(Stable) and continues to remain under 'Issuer Not Cooperating' category
Short-term non-fund based - Bank guarantee	1.00	1.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short-term non-fund based - Bank guarantee ^{^^}	(5.00)	(5.00)	[ICRA]A4 ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	260.47	260.47	

*Issuer did not cooperate; based on best available information

[^]sub-limit of long-term fund-based WCDL; ^{^^}sub-limit of long-term fund-based cash credit facility ^{^^^}Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term and Short-Term ratings for the Bank facilities of **KBK Biotech Private Limited** in the 'Issuer Not Cooperating' category. The rating are denoted as "[ICRA]B+(Stable)/[ICRA]A4 ISSUER NOT COOPERATING"

The rating downgrade is because of lack of adequate information regarding **KBK Biotech Private Limited** performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with **KBK Biotech Private Limited**, 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, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Chemicals Policy In Respect of Non-Cooperation By A Rated Entity
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the company's standalone financial profile

About the company

KBK Biotech Private Limited, based out of Andhra Pradesh was incorporated in 2015 and is engaged in the manufacturing of Extra Neutral Alcohol (ENA), Impure Spirit (IS) and Distillers Dried/Wet Grains with soluble (DDGS), Hand Sanitizers and Captive Power Generation of 2.1 MW. During FY2016-17, the company acquired Milano Spirits India Private Limited's (MSIPL) factory land, plant and machinery along with all the operational licenses. The commercial operations of the company were then started from July 2019. The company is promoted by Kundula Balarama Krishna, Kundula Ganga Bhavani, Kundula Murali Krishna and Kundula Suresh Kumar. From March 2020, the company started manufacturing hand sanitizers. The company is setting up a 397-kilo litres per day (KLPD) grain-based distillery for ethanol manufacturing along with conversion of its existing installed capacity of 88.5 KLPD for ENA manufacturing into ethanol manufacturing in their existing plant at Chinnabrahmadevam village in the East Godavari district of Andhra Pradesh and also increasing its power generation capacity by 9.0MW.

Status of non-cooperation with previous CRA:

Date of PR	Rating Action
January 24, 2024	ACUITE BB; Reaffirmed; Issuer Not cooperating

Any other information: None

Rating history for past three years

Instrument	Current Year			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount Rated (Rs Crore)	April 07, 2025	Date	Rating	Date	Rating	Date	Rating
Long-term fund-based – Proposed term loan	Long Term	0.00	-	-	-	Jul 05, 2023	[ICRA]BB (Stable)	Mar 27, 2023	[ICRA]BB (Stable)
						Dec 22, 2023	-	-	-
Long-term fund-based - Cash credit	Long Term	75.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	Jan 07, 2025	[ICRA]BB (Stable); ISSUER NOT COOPERATING	Dec 22, 2023	[ICRA]BB (Stable)	-	-
Long-term fund-based - Term loans	Long Term	60.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	Jan 07, 2025	[ICRA]BB (Stable); ISSUER NOT COOPERATING	Dec 22, 2023	[ICRA]BB (Stable)	-	-
Long-term fund-based working capital demand loan	Long Term	124.47	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	Jan 07, 2025	[ICRA]BB (Stable); ISSUER NOT COOPERATING	Dec 22, 2023	[ICRA]BB (Stable)	-	-
Long-term non-fund based - Letter of credit [^]	Long Term	(35.00)	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	Jan 07, 2025	[ICRA]BB (Stable); ISSUER NOT COOPERATING	Dec 22, 2023	[ICRA]BB (Stable)	-	-
Short-term non-fund based - Bank guarantee	Short Term	1.00	[ICRA]A4; ISSUER NOT COOPERATING	Jan 07, 2025	[ICRA]A4; ISSUER NOT COOPERATING	Dec 22, 2023	[ICRA]A4	-	-
Short-term non-fund based - Bank guarantee ^{^^}	Short Term	(5.00)	[ICRA]A4; ISSUER NOT COOPERATING	Jan 07, 2025	[ICRA]A4; ISSUER NOT COOPERATING	Dec 22, 2023	[ICRA]A4	-	-

Note: Amounts in Rs. Crore; [^] sublimit of WCTL sanctioned by HDFC Bank; ^{^^} sublimit of Cash Credit facility sanctioned by HDFC Bank

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term fund-based - Cash credit	Simple
Long-term fund-based - Term loans	Simple
Long-term fund-based working capital demand loan	Simple
Long-term non-fund based - Letter of credit [^]	Simple
Short-term non-fund based - Bank guarantee	Very Simple
Short-term non-fund based - Bank guarantee ^{^^}	Very Simple

[^] sub-limit of long-term fund-based WCTL; ^{^^} sub-limit of long-term fund-based cash credit facility

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, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term fund based - Cash credit	-	-	-	75.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Long-term fund-based - Term loans	FY2024	NA	FY2024	60.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Long-term fund-based - Working capital demand loan	FY2024	NA	FY2031	90.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Long term fund-based - Working capital demand loan	FY2024	NA	FY2030	20.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Long term fund-based - Working capital demand loan	FY2024	NA	FY2029	2.97	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Long term fund-based - Working capital demand loan	FY2024	NA	FY2028	11.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Long-term non-fund based - Letter of credit [^]	-	-	-	(35.0)	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Short-term non-fund based - Bank guarantee	-	-	-	1.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Short-term non-fund based - Bank guarantee ^{^^}	-	-	-	(5.00)	[ICRA]A4; ISSUER NOT COOPERATING

Source: Company; [^]sub-limit of long-term fund-based WCDL; ^{^^}sub-limit of long-term fund-based cash credit facility

[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

Varun Gogia
+91 98 7115 6542
varun.gogia1@icraindia.com

Prashant Vasisht
+91 12 4454 5322
prashant.vasisht@icraindia.com

Mohika Kundara
+91 95 9913 3619
mohika.kundara@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

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



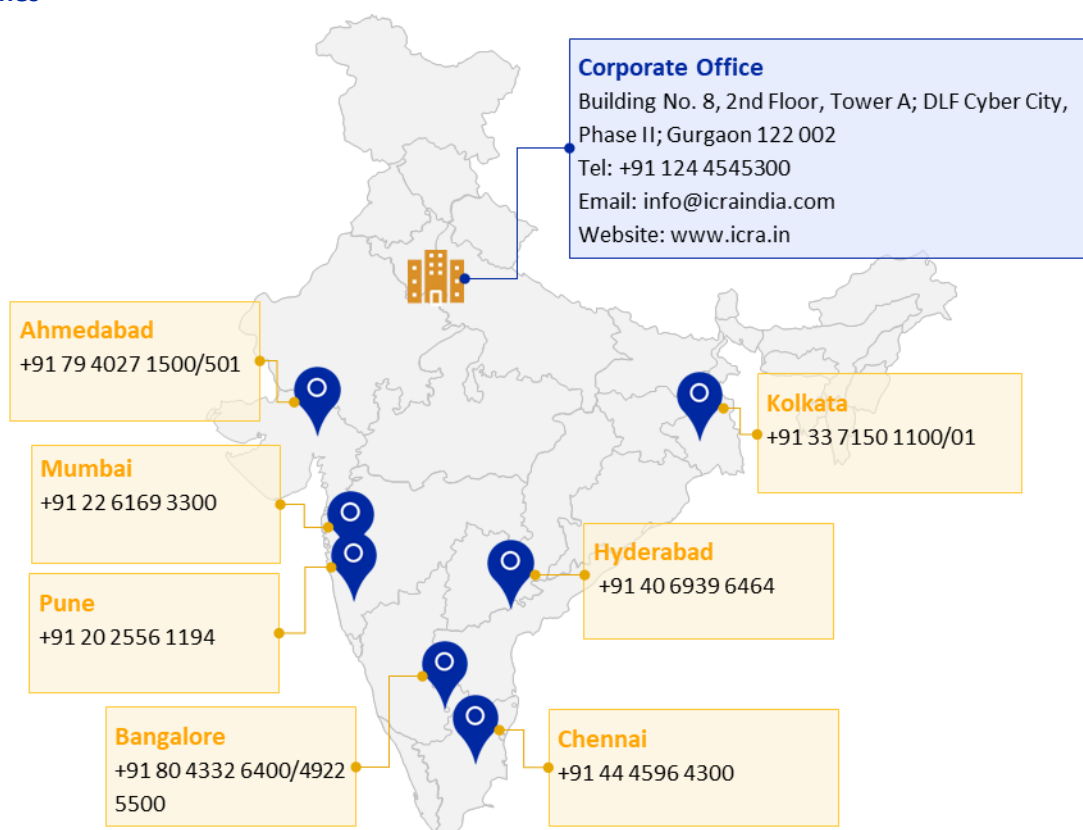
Registered Office

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

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.