



Press Release

Sona Beverages Pvt Ltd

June 07, 2022

Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Facility – Cash Credit	50.00**	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Long Term Fund Based Facility – Term Loan	25.00***	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Total	75.00 (Seventy-Five Crores only)			

* Issuer did not cooperate; based on best available information

** Includes proposed limit of INR 5.00 crore

*** Includes proposed limit of INR 7.60 crore

Details of Facilities are in Annexure 1

Detailed Rationale:

The rating is revised because of lack of adequate information regarding Sona Beverages Private Limited (SBPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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.

Non-cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mails communications dated 10th February 2022, 17th February 2022, 24th February 2022, 3rd March 2022, 11th April 2022, 2nd



Press Release

May 2022, 27th May 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the bank loan ratings aggregating to INR 75.00 Crore of Sona Beverages Private Limited shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+; ISSUER NOT CO-OPERATING based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

About the Company:

Sona Beverages Private Limited (SBPL) was incorporated in 2006. The group and the promoters have been present in the alcohol distribution and manufacturing business for more than 30 years. The group has a presence in various other segments like fisheries, hotels, real estate etc. The company set up its beer manufacturing unit with a capacity of manufacturing 18,00,000 cases per annum in 2014 which later on increased to 36,00,000 as on date cases. Since FY16, SBPL commenced manufacturing of craft beer under its own brand "Simba" which at present constitutes almost the entire revenues of the company. The company has also entered into a contract for manufacturing and selling beers under the "Carlsberg" brand in the state of Chhattisgarh.



Press Release

Financials: Standalone

(INR. Crore)

For the year ended*/ As On	31-03-2019	31-03-2020
	(Audited)	(Audited)
Total Operating Income	64.43	62.47
EBITDA	11.94	9.68
PAT	(1.82)	(4.30)
Total Debt	66.32	61.86
Tangible Net-worth	34.79	30.53
Ratios		
EBITDA Margin	18.53	15.49
PAT Margin (%)	(2.79)	(6.83)
Overall Gearing Ratio (x)	1.91	2.03

*Classification as per Infomerics` standards

Status of non-cooperation with previous CRA:

Brickwork Ratings in their press release dated 19th January 2022, has continued to classify the case under ISSUER NOT CO-OPERATING status on account of non-submission of relevant information by the company.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21 (March 12, 2021)	Date(s) & Rating(s) assigned in 2019-20 (December 14, 2019)
1.	Long Term Fund Based Facility – Cash Credit	Long Term	50.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)	--	IVR BBB- (IVR Triple B Minus)	IVR BBB- (IVR Triple B Minus)
2.	Long Term Fund Based Facility – Term Loan	Long Term	25.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)	--	IVR BBB- (IVR Triple B Minus)	IVR BBB- (IVR Triple B Minus)
	Total		75.00				

* Issuer did not cooperate (INC); based on best available information.



Press Release

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors



Press Release

Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facility – Cash Credit	--	--	--	50.00*	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)
Long Term Fund Based Facility – Term Loan	--	--	Up to June 2023	25.00**	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)

* Issuer did not cooperate; based on best available information.

**Includes proposed limit of INR 5.00 crore

***Includes proposed limit of INR 7.60 crore

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.