



Press Release

Sona Beverages Pvt Ltd (SBPL)

October 05, 2023

Ratings:

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Cash Credit	45.00	IVR BB+/ Negative; Issuer not cooperating (IVR double B plus with Negative Outlook; Issuer not cooperating)	IVR BBB-/ Stable Outlook (IVR Triple B Minus with Stable Outlook)	Downgraded and moved to Issuer not cooperating category	Simple
Long Term Bank Facilities – Term Loan	13.12	IVR BB+/ Negative; Issuer not cooperating (IVR double B plus with Negative Outlook; Issuer not cooperating)	IVR BBB-/ Stable Outlook (IVR Triple B Minus with Stable Outlook)	Downgraded and moved to Issuer not cooperating category	Simple
Total	58.12	(Rupees Fifty-Eight Crore and Twelve Lakh only)			

** Issuer not cooperating; Based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale:

The rating is revised because of lack of adequate information regarding Sona Beverages Pvt Ltd (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.



Press Release

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 July 28, 2023; July 31, 2023; August 1, 2023; August 3, 2023; August 7, 2023; September 11, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the firm'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 Rs. 58.12 Crore of Sona Beverages Pvt Ltd (SBPL) shall be continued under 'ISSUER NOT COOPERATING' category by Infomerics and the long term rating be noted as IVR BB+/Negative; ISSUER NOT COOPERATING respectively 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](#)

[Criteria for assigning rating outlook](#)

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



Press Release

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.

Financials: Standalone

For the year ended* / INR. Crore	(Rs. Crore)	
	31-03-2021	31-03-2022
	Audited	Provisional
Total Operating Income	112.00	145.19
EBITDA	23.26	28.29
PAT	10.38	15.58
Total Debt	53.05	60.24
Tangible Net Worth	47.46	63.13
Ratios		
EBITDA Margin (%)	20.77	19.48
PAT Margin (%)	9.02	10.48
Overall Gearing Ratio (x)	1.12	0.95

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA – Brickwork ratings vide its press release dated January 18, 2023, has continued to classify the case under Issuer Not Cooperating category on account of non-submission of relevant information.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (September 05, 2022)	Date(s) & Rating(s) assigned in 2022-23 (June 07, 2022)	Date(s) & Rating(s) assigned in 2021-22 (March 12, 2021)	Date(s) & Rating(s) assigned in 2020-21
1.	Long Term Bank Facilities – Cash Credit	Long Term	45.00**	IVR BB+/ Negative; Issuer not cooperating	IVR BBB-/Stable Outlook	IVR BB+; Issuer not cooperating	IVR BBB-	--
2.	Long Term	Long	13.12	IVR BB+/	IVR BBB-	IVR BB+;	IVR BBB-	--



Press Release

	Bank Facilities – Term Loan	Term		Negative; Issuer not cooperating	/Stable Outlook	Issuer not cooperating		
--	--------------------------------------	------	--	--	--------------------	---------------------------	--	--

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

**Rs. 45 Crores Working Capital Demand Loan – Sublimit of CC

Name and Contact Details of the Rating Analyst:

Name: Om Parkash Jain

Tel: (011) 45579024

Email: opjain@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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 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



Press Release

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.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash credit	--	--	--	45.00	IVR BB+/ Negative; Issuer not cooperating
Term loan	--	--	June 23	2.01	IVR BB+/ Negative; Issuer not cooperating
Term loan	--	--	March 2025	11.11	IVR BB+/ Negative; Issuer not cooperating

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

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

Annexure 3: Facility wise lender details: Annexure III

<https://www.infomerics.com/admin/prfiles/Len-sona-oct23.pdf>

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.