

Press Release

Indo European Breweries Limited

June 13, 2022



Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.00	ACUITE BBB Downgraded & Withdrawn Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	7.00	-	-

Rating Rationale

Acuite has downgraded and withdrawn the long-term rating to '**ACUITE BBB**' (read as **ACUITE Triple B**) from '**ACUITE A-**' (read as **ACUITE A Minus**) on the Rs.7.00 Cr. bank facilities of Indo European Breweries Limited (IEBL). This rating continues to be an indicative rating and is based on the best available information. The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuite's policy on withdrawal of ratings.

Rationale for Rating

The rating is downgraded on account of heightened information risk as client has provided the limited information.

About the Company

Maharashtra-based Indo European Breweries Limited (IEBL) was incorporated in 1990 and is promoted by Mr. Pradeep Agarwal. The company is part of Superior Group and is engaged in the manufacturing of soft drinks and juices. It has a co-pact agreement with the Hindustan Coca-Cola Beverages Private Limited (HCCB) and only does bottling work for HCCB. It has its bottling unit located in Aurangabad with a capacity of 600 bottles per minute (BPM) of Returnable Glass Bottle (RGB)-Glass bottle.

About the Group

Superior Group (SG), promoted by Mr. Pradeep Agarwal has a franchisee bottling agreement with Coca-Cola India for manufacturing and distribution of its soft drinks, juices, and packaged water for a period of 29 years. Superior group has its presence in Vidarbha and Nagpur region in Maharashtra through Superior Drinks Private Limited (SDPL), Chhattisgarh through Narmada Drinks Private Limited (NDPL), Mahakoshal and Jabalpur region in Madhya Pradesh through Udaipur Beverages Limited (UBL) and Aurangabad region in Maharashtra through Indo European Breweries Limited (IEBL).

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 has shared partial documents for the rating process. This rating continues to be flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuite'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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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.

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	361.87	456.94
PAT	Rs. Cr.	19.93	25.03
PAT Margin	(%)	5.51	5.48
Total Debt/Tangible Net Worth	Times	2.99	1.24
PBDIT/Interest	Times	10.44	10.07

Status of non-cooperation with previous CRA

None.

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Apr 2021	Proposed Term Loan	Long Term	5.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Proposed Cash Credit	Long Term	0.70	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Secured Overdraft	Long Term	1.30	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
04 May 2020	Proposed Cash Credit	Long Term	0.70	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	1.30	ACUITE BBB+ Stable (Assigned)
	Proposed Term Loan	Long Term	5.00	ACUITE BBB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	1.30	ACUITE BBB Downgraded & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.70	ACUITE BBB Downgraded & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BBB Downgraded & Withdrawn Issuer not co-operating*

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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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