



Press Release

Inbrew Beverages Private Limited

April 28, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Non-Convertible Debenture (NCD)	571.00 (reduced from Rs.685.00 crore)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	IVR B+/ Negative; ISSUER NOT COOPERATING * (IVR B Plus with Negative Outlook; ISSUER NOT COOPERATING *)	Rating Upgraded, Outlook revised and removed from Issuer Not Cooperating category	Simple
Proposed NCD	75.00	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	--	Rating Assigned	Simple
Total	646.00 (Rs. Six Hundred Forty Six crore only)				

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

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Earlier Infomerics had moved the NCD's ratings of Inbrew Beverages Private Limited (IBPL) into Issuer Not Cooperating category vide its press release dated February 14, 2025, due to non-submission of information required for detailed review of the company. However, the company started cooperating and submitted required information. Consequently, Infomerics has removed the rating from 'ISSUER NOT COOPERATING' category and upgraded the NCD's rating to IVR BB-/ Stable from IVR B+/ Negative; ISSUER NOT COOPERATING.

Infomerics has upgraded / assigned ratings to NCD's of IBPL reflects improvement in total operating income and operating profitability during FY24, favourable demand outlook for alcohol industry and tangible support from parent company. However, the ratings are partially constrained by leveraged capital structure with lower debt protection metrics, working capital intensive nature of business, significant refinancing risk, intense competition from distributors



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of other liquor manufacturing principals and highly regulated business with high duties and taxes albeit high entry barriers benefitting the incumbents.

Infomerics has assigned Stable Outlook reflects IBPL continue to supported by experienced promoters and expected improvement in profitability.

Key Rating Sensitivities:

Upward Factors

- Improvement in profitability metrics thereby leading to overall improvement in cash accruals which is significantly higher than Infomerics expectation could lead to a positive rating action.

Downward Factors

- Dip in operating income and/or profitability impacting the debt coverage indicators or liquidity, subdued industry scenario could lead to a negative rating action.
- Deterioration in capital structure.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Improvement in total operating income and operating profitability during FY24**
Total operating income has increased by ~80% to Rs.1,614.89 crore in FY24 (refers period from 01st April 2023 to 31st March 2024) (FY23: Rs.899.41 crore), due to increase in spirit sales which was introduced in FY23 which was further scaled up during FY24. EBITDA margin has improved to 10.38% in FY24 (FY23:5.96%) due to higher proportion of high margin spirit sales. IBPL has earned total operating income of Rs.1,1165.78 crore during 9MFY25 which was lower as compared to 9MFY24 due to lower prices with EBITDA margins of 10.02%.
- **Favorable demand outlook for alcohol industry**
India is one of the fastest growing alcohol markets in the world. Rapid increase in urban population, sizable middle-class population with rising spending power, and a sound



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economy are certain significant reasons behind increase in consumption of alcohol in India.

- **Tangible support from parent company**

IBPL has been supported by regular tangible support from its parent company, i.e., Inbrev Beverages Pte Limited, Singapore, in the form of CCD. Since FY23, the parent company has infused Rs.82.73 crore through CCD, and the parent company has committed to support the company as and when it needed.

Key Rating Weaknesses

- **Leveraged capital structure with lower debt protection metrics**

Adjusted tangible net worth (after excluding intangibles) has decreased and stood at Rs.316.32 crore in FY24 (FY23: Rs.356.73 crore), decline is mainly on account of net loss during FY24. Hence, after considering such adjusted TNW, adjusted overall gearing stood high at 2.14x in FY24 against 2.01x in FY23 and TOL/TNW also stood high at 3.94x in FY24 against 3.26x in FY23. The debt protection metrics marked by interest coverage stood low at 1.33x in FY24 against 0.84x in FY23. The Total debt/NCA remained high at 15.62 years in FY24 (FY23:82.781x).

- **Working capital intensive nature of business**

The operations of IBPL remained working capital intensive. IBPL's net operating cycle increased to 114 days in FY24 (FY23: 89 days) due to increase in inventory days which stood at 76 days in FY24 (FY23: 58 days), the inventory days has increased mainly as IBPL had expected more demand for liquor in Q1FY25 and hence, it increased its inventory. The collection days has remained at similar levels and stood at 67 days in FY24 (FY23: 65 days). Creditor days also improved and stood at 29 days in FY24 (FY23: 33 days).

- **Significant refinancing risk**

IBPL exposes to significant refinancing risk due to large repayment of Rs.571.00 crore in FY26 and Rs.75.00 crore in FY27. DSCR is expected to remain below unity during this period due to lower gross cash accruals. As per management, these repayments are



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expected to refinance through new debt. Ability of the company to refinance these repayments will be key monitorable.

- **Intense competition from distributors of other liquor manufacturing principals**

IBPL faces intense competition from distributors of other liquor manufacturing principals. However, IBPL established presence more than four decades gives it some comfort. Further, the discretionary nature of the expenditure also may sometimes limit demand, especially in times of subdued incomes.

- **Highly regulated business with high duties and taxes albeit high entry barriers benefitting the incumbents**

Liquor industry is highly regulated in India with each state controlling the production, sales and duty structure independently including control on pricing. Beside this, there is a ban on all forms of direct and indirect advertising for liquor in the country, leading to market players resorting to surrogate advertising. The complexity of the industry further lies in the different types of distribution models followed in various states like government-controlled agencies, private distribution system and auction. The uncertainty evolving around any regulatory norms make the industry vulnerable and profitability susceptible to any unforeseen changes.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)



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Liquidity – Stretched

The liquidity of the company remains stretched as the company faces significant refinancing risk during FY26 and FY27 due to lower-than-expected cash accruals against the scheduled repayments. As per management any shortfall will be refinanced through additional debt. Ability of the management to refinance its debt repayments would be key monitorable.

About the Company

IBPL was incorporated in the year 1972. The Company is engaged in the business of manufacture and sale of alcohol beverages including arrangements with various breweries for brewing and sales operations.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	899.41	1614.89
EBITDA	53.60	167.61
PAT	-53.74	-56.66
Total Debt	716.08	678.43
Tangible Net Worth	-180.43	-188.80
EBITDA Margin (%)	5.96	10.38
PAT Margin (%)	-5.85	-3.50
Overall Gearing Ratio (x)	-3.97	-3.59
Interest Coverage (x)	0.84	1.33

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
							--
1.	Non-Convertible Debenture (NCD) (ISIN: INE696R07018)	Long Term	571.00	IVR BB-/ Stable	IVR B+/ Negative; Issuer Not Cooperating * (February 14, 2025) IVR BB-/ Stable (September 11, 2024)	IVR BB/ Stable (February 14, 2024) IVR BB-/ Negative; Issuer Not Cooperating * (September 6, 2023)	IVR BB/ Stable (September 12, 2022) IVR BB/ Stable (September 6, 2022)
2.	Proposed NCD	Long Term	75.00	IVR BB-/ Stable	--	--	--

* Issuer not cooperating; Based on best available information

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. 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.



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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 and definition of ratings please 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 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: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Listed status	Size of Facility (Rs. Crore)	Rating Assigned/Outlook
NCD	INE696R07018	September 29, 2022	12.50% p.a.	September 27, 2025	Listed	571.00	IVR BB-/ Stable
Proposed NCD	--	--	--	--	Proposed to be listed	75.00	IVR BB-/ Stable

Annexure 2: Facility wise lender details: Not applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

For Rs.571.00 crore NCD

Particulars	Terms & conditions
Security Name	12.50% INR 685,00,00,000 listed and rated senior secured non-convertible debentures
ISIN	INE696R07018
Issuance / Type of Instrument	Senior, Secured, Listed, Rated, Redeemable, Non-Convertible Debentures



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Particulars	Terms & conditions
Nature of Instrument	Secured
Seniority	Senior
Mode of Issuance of Debentures	Private Placement
Issued amount	Rs.685.00 crore
Minimum Subscription	Rs.10,00,000/-
Debenture Trustee	Catalyst Trusteeship Limited
Use of Proceeds	(i) payment in part of the Acquisition Consideration; (ii) financing the payment (or reimbursement) of the Acquisition Costs; (iii) payment of any fees, costs and expenses in connection with the transactions contemplated under the Finance Documents (including under Clause 18 (Indemnity and Costs and Expenses)) of the Deed; and (iv) any other purpose expressly agreed by the Debentures (acting on the instructions of all the Debenture Holders).
Tenor	36 months
Coupon Type	Fixed
Coupon Rate	12.50% p.a.
Coupon Payment Frequency	Monthly
Coupon Payment Dates	Coupon Payment Date means: (a) the last day of each Interest Period; (b) each Scheduled Redemption Date; and (c) "Final Redemption Date" means 27 September 2025
Default Interest	17.50% per annum (Being 12.5% as the Coupon Rate and 5% as the Default Interest)
All Covenants to the Issue	Financial statements The Issuer shall supply to the Debenture Trustee in sufficient copies for all the Debenture Holders: (a) as soon as they become available, but in any event within 120 days after the end of each of Issuer's Financial Years (or, in respect of its Financial Year ending on 31 March 2022, 150 days), the audited annual consolidated financial statements of the Issuer for that Financial Year; and (b) as soon as they become available, but in any event within 30 days after the end of each of its Financial Quarters, the unaudited quarterly consolidated financial statements of the Issuer for that Financial Quarter. 2. Compliance Certificate (a) The Issuer shall supply to the Debenture Trustee, with each set of financial statements delivered pursuant to paragraphs (a) and (b) of



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Particulars	Terms & conditions
	<p>paragraph 1 (Financial statements), of Part A (Information Undertakings) of schedule 4 (Covenants and undertakings) of the Deed, a Compliance Certificate setting out:</p> <p>(i) (in reasonable detail) computations as to compliance with paragraph 2 (Financial Condition) of Part B of schedule 4 (Covenants and undertakings) for any applicable Relevant Period but only to the extent such Relevant Period ends on a Test Date as at which those financial statements were drawn up; and</p> <p>(ii) that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it),</p> <p>(a) provided that acceptance of the Compliance Certificate by the Debenture Trustee shall not constitute waiver of any Default specified therein.</p> <p>(b) Each Compliance Certificate shall be signed by a director of the Issuer.</p> <p>3. Requirements as to financial statements</p> <p>(a) Each set of financial statements delivered by the Issuer pursuant to paragraph 1 (Financial statements) of Part A (Information Undertakings) of schedule 4 (Covenants and undertakings) of the Deed shall be certified by a director of the relevant company to which the financial statements relate, in each case, as giving a true and fair view of (in the case of any such financial statements which are audited) or fairly representing (in the case of any such financial statements which are unaudited) the financial condition of such company as at the date as at which those financial statements were drawn up.</p> <p>(b) The Issuer shall procure that each set of financial statements delivered pursuant to paragraph 1 (Financial statements) of Part A (Information Undertakings) of schedule 4 (Covenants and undertakings) of the Deed is prepared using the applicable GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the applicable Original Financial Statements unless, in relation to any set of financial statements, it notifies the Debenture Trustee that there has been a change in the applicable GAAP, the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of that person) deliver to the Debenture Trustee:</p> <p>(i) a description of any change necessary for those financial statements to reflect the applicable GAAP, accounting practices and reference</p>



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Particulars	Terms & conditions
	<p>periods upon which that person's Original Financial Statements were prepared; and</p> <p>(ii) sufficient information, in form and substance as may be reasonably required by the Debenture Trustee, to enable the Secured Parties to determine whether paragraph 2 (Financial Condition) of Part B of schedule 4 (Covenants and undertakings) of the Deed has been complied with and to make an accurate comparison between the financial position indicated in those financial statements and that person's Original Financial Statements.</p> <p>(b) Any reference in the Deed to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.</p> <p>(c) The Issuer shall procure that each set of financial statements delivered pursuant to paragraph 1 (Financial statements) of Part A (Information Undertakings) of schedule 4 (Covenants and undertakings) of the Deed of the Deed includes a balance sheet, profit and loss account and cashflow statement.</p> <p>Financial condition The Issuer must ensure that, in respect of each Relevant Period ending on a Test Date that falls on or after the First Test Date, Onshore Net Leverage for that Relevant Period is not greater than 4.25:1.0.</p>
Covenants	
Events of Default	<p>Each of the events and circumstances set out below will independently constitute an Event of Default.</p> <p>1. Non-payment A Transaction Obligor or Aheadco Services does not pay on the due date any amount payable pursuant to a Finance Document, at the place and in the currency in which it is expressed to be payable unless:</p> <p>(a) its failure to pay is caused by:</p> <p>(i) administrative or technical error; or</p> <p>(ii) a Disruption Event; and</p> <p>(b) payment is made within three Business Days of its due date.</p> <p>2. Financial Covenants and other key undertakings (a) Subject to paragraph 4 (Equity Cure) of Part B of schedule 4 (Covenants and undertakings) and paragraph 5 (Deemed Remedy) of Part B of schedule 4 (Covenants and undertakings), any requirement of</p>



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Particulars	Terms & conditions
	<p>Part B (Financial Covenants) of schedule 4 (Covenants and undertakings) is not satisfied.</p> <p>(b) The Issuer does not comply with any provision of paragraph 4 (Negative pledge), paragraphs 5 (Disposals) to 8 (Loans and guarantees) (inclusive), paragraph 15 (No share issue, distributions or dividends), paragraph 18 (Anti-Corruption Laws) to paragraph 20 (Anti-Money Laundering) (inclusive), paragraph 27 (Authorised Signatories), paragraph 32 (Filings with the Stock Exchange) or paragraph 34 (Conditions Subsequent) of Part C of schedule 4 (Covenants and undertakings).</p> <p>(c) Any requirement under paragraph 1 (Financial statements) and paragraph 2 (Compliance certificate) of Part A (Information undertakings) of schedule 4 (Covenants and undertakings) is not satisfied within the timelines set out therein.</p> <p>3. Other obligations</p> <p>(a) A Transaction Obligor or Aheadco Services does not comply with any provision of the Finance Documents (other than those referred to in paragraphs 1 (Non-payment) and 2 (Financial covenants and other key undertakings)).</p> <p>(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within fifteen days of the earlier of (i) the Debenture Trustee giving notice to the Issuer and (ii) the relevant Transaction Obligor or Aheadco Services or the Parent becoming aware, of the failure to comply.</p> <p>4. Misrepresentation</p> <p>(a) Any representation or statement made or deemed to be made by any Transaction Obligor or Aheadco Services in the Finance Documents or any other document delivered by or on behalf of any Transaction Obligor or Aheadco Services under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made by reference to the facts and circumstances then existing.</p> <p>(b) No Event of Default under paragraph (a) above will occur if the circumstances or event giving rise to the misrepresentation is capable of remedy and is remedied within 15 days of the earlier of (i) the Debenture Trustee giving notice to the Issuer and (ii) the relevant Transaction Obligor or Aheadco Services becoming aware, of the misrepresentation.</p> <p>5. Cross-default</p> <p>(a) Any of the following occurs in respect of any Transaction Obligor or Aheadco Services or Group Member:</p>



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Particulars	Terms & conditions
	<p>(i) any Financial Indebtedness is not paid when due nor within any originally applicable grace period;</p> <p>(ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity date as a result of an event of default (howsoever described);</p> <p>(iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor of any Transaction Obligor or Aheadco Services or Group Member as a result of an event of default (however described);</p> <p>(iv) any creditor of any Transaction Obligor or Aheadco Services Group Member or the Parent becomes entitled to declare any Financial Indebtedness of any Transaction Obligor or Aheadco Services or Group Member due and payable prior to its specified maturity as a result of an event of default (however described); or</p> <p>(v) any Event of Default occurs and is continuing under (and as defined in) the Offshore Note Subscription Agreement.</p> <p>(b) No Event of Default will occur under subparagraphs (a)(i) to (iv) (inclusive) of paragraph 5 if:</p> <p>(i) the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraph (a) is less than USD 2,500,000 (or its equivalent in other currencies);</p> <p>(ii) it is in respect of Financial Indebtedness subordinated pursuant to the Intercreditor Agreement; or</p> <p>(iii) it is in respect of Financial Indebtedness owed between Group Members.</p> <p>6. Insolvency</p> <p>(a) A Transaction Obligor or Aheadco Services or any Group Member:</p> <p>(i) is or will be unable or admits inability to pay its debts as they fall due (in each case other than solely as a result of balance sheet liabilities exceeding its balance sheet assets);</p> <p>(ii) is deemed to, or is declared to, be unable to pay its debts under applicable law;</p> <p>(iii) suspends making payments on any of its debts; or</p> <p>(iv) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Holder in its capacity as such) with a view to rescheduling any of its indebtedness.</p> <p>(b) A moratorium takes effect by operation of law or is declared in respect of any indebtedness of any Transaction Obligor or Aheadco Services or Group Member. If a moratorium occurs or is declared, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.</p> <p>(c) The value of the assets of any Transaction Obligor or Aheadco Services is less than its liabilities (taking into account contingent and</p>



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Particulars	Terms & conditions
	<p>prospective liabilities).</p> <p>Insolvency proceedings</p> <p>(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:</p> <p>(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, provisional supervision or reorganisation (by voluntary arrangement, scheme of arrangement or otherwise) of any Transaction Obligor or Aheadco Services or Group Member;</p> <p>(ii) a composition, compromise, assignment or arrangement with any creditor of any Transaction Obligor or Aheadco Services or Group Member, or an assignment for the benefit of creditors generally of any Transaction obligor or Aheadco Services or Group Member, or a class of such creditors;</p> <p>(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, provisional supervisor, resolution professional, interim resolution professional, provisional supervisor or other similar officer in respect of any Transaction Obligor or Aheadco Services or Group Member, or any of their respective assets;</p> <p>(iv) subject to the qualifications set out in paragraph (c) below, the filing of an application for the initiation of an insolvency resolution process under IBC or any other analogous law or regulation in respect of any Transaction Obligor or Aheadco Services by any person;</p> <p>(v) the admission of an application for the initiation of an insolvency resolution process under IBC or any other analogous law or regulation in respect of the Issuer;</p> <p>(vi) a demand notice under the SARFAESI Act or any other analogous law or regulation is issued to any Transaction Obligor or Aheadco Services;</p> <p>(vii) preparation of a resolution plan for the Issuer or any other Transaction Obligor or Aheadco Services, pursuant to the Resolution of Stressed Assets.</p>

Proposed NCD of Rs.75.00 crore

Particulars	Terms & conditions
Instrument	Proposes to issue listed, secured, redeemable non-convertible debentures
Issue Size	Rs. 75.00 crore
Tenure	One Year and One day
Mode of Issue	Private Placement



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Particulars	Terms & conditions
Eligible Investors	Existing Indian or Foreign Shareholders. Foreign Portfolio Investors, Indian Investors, Commercial Banks, Financial Institutions, Insurance Corporations, Companies and Bodies Corporate.
Listing (Including name of stock Exchange(s) where it will be listed)	Proposed to be listed
Objects of the Issue	Funding of the working capital and general corporate purposes expenses of the Company
Details of the utilization of the proceeds	The proceeds shall be utilized for funding the working capital requirements and general corporate purposes of the Company, including but not limited to, meeting operational expenses, enhancing liquidity, and addressing other financial obligations in the ordinary course of business.
Coupon payment frequency	On monthly basis
Coupon Type	Fixed
Coupon Reset Process (Including rates, spread, effective date, interest rate cap and floor etc.)	None
Day Count Basis	Actual

Annexure 4: List of companies considered for consolidated analysis: 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.