



## Press Release

### Kohli and Sons Beverages Private Limited

July 15, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	20.85	IVR BB-/Stable [IVR Double B Minus with Stable Outlook]	IVR BB-/Stable [IVR Double B Minus with Stable Outlook]	Rating reaffirmed and simultaneously withdrawn	<a href="#">Simple</a>
<b>Total</b>	<b>20.85</b>	<b>(Rs. Twenty crores and eighty-five lakhs only)</b>			

**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

Infomerics Ratings has reaffirmed and simultaneously withdrawn the ratings assigned to bank loan facilities of Kohli & Sons Beverages Private Limited (KSBPL). The above action has been taken at the request of KSBPL and 'No Objection Certificate' received from bankers who have extended the rated facilities. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

The ratings have been reaffirmed, taking into consideration long track record of operations coupled with experienced management with relevant background. The rating further draws comfort from growing scale of operations albeit thin profitability. However, these strengths are partially offset by weak financial risk profile and geographically concentrated revenue scheme, as the company operates only in Gurugram. The rating also considers the impact of seasonality on business operations as the company's major chunk of revenue is achieved in the summer season.

The outlook is stable on the back of experienced promoters and running orders the company receives from its customers. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. Infomerics ratings believes that KSBPL business & financials risk profile will be maintained over the medium term considering the overall risk profile of the company.

Infomerics Ratings has principally relied on the standalone audited financial results of KSBPL up to FY24 (refers to period April 1st, 2023, to March 31st, 2024) and provisional financial



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statements of FY25 (refers to period April 1st, 2024, to March 31st, 2025) and three years projected financials for FY2026 (refers to period April 1st, 2025, to March 31st, 2026) - FY2027 (refers to period April 1st, 2026, to March 31st, 2027) and FY2028 (refers to period April 1st, 2027, to March 31st, 2028), along with publicly available information/ clarifications provided by the company's management.

**Key Rating Sensitivities:** Nil

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### Long track record of operations

Kohli & Sons Beverages Private Limited (KSBPL) is a distributor of Enrich Agro Food Products Pvt Ltd (EAFPPPL), which is a franchisee of Coco Cola India (CCI) and has been in the soft drinks industry for more than 35 years.

##### Experienced management with relevant background

KSBPL is founded by Mr. Shyam Sundar Kohli, who brings 35 years of extensive experience in the beverage industry, alongside his son, Mr. Vivek Kohli, who has 9 years of expertise. Mr. Shyam Sundar Kohli launched his first soft drink venture in 2006 in Gurugram, starting as a distributor for Coca-Cola in the outer Gurugram area. The long-standing presence of the promoters in the industry has enabled the company to establish strong relationships with customers in a remarkably short time.

##### Growing scale of operations albeit thin profitability

The Total operating income (TOI) of the company increased by ~28% and stood at Rs. 188.48 crore in FY25(Prov.) increased from Rs. 147.17 crore during FY24 on account of increase in trading volume of its products. The earnings before interest, tax, depreciation and amortization (EBITDA) of the company rose by ~25% and stood at Rs. 4.66 crore during FY25(Prov.) compared to Rs. 3.74 crore during FY24. The profit after tax (PAT) of the company stood at Rs. 0.63 crore during FY25(Prov.) result compared to Rs. 0.10 crore during FY24. The gross cash accruals of the company improved slightly and stood at Rs. 2.67 crore in FY25(Prov.) compared to Rs. 2.09 crore in FY24.



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### **Key Rating Weaknesses**

#### **Weak financial risk profile**

The adjusted tangible net worth of the company stood at Rs. 1.37 crore as on March 31, 2025 (Prov.), compared to Rs. 1.54 crore as on March 31, 2024. The total debt stood at Rs. 33.61 crore as on March 31, 2025(Prov.), which increased from Rs. 23.10 crore as on March 31, 2024 on account of increase in utilization of working capital limits. The capital structure of the company is stretched marked by overall gearing ratio of 24.56x as on March 31, 2025 (Prov.), deteriorated from 15.02x as on March 31, 2024, on account of increase in utilization of the working capital limits and low net worth. The total outside liabilities/adjusted tangible net worth (TOL/ATNW) stood at 31.07x as on March 31, 2025(Prov.), against 21.75x as on March 31, 2024.

#### **Geographically concentrated revenue scheme and competitive intensity**

The exclusive distribution of Coca-Cola products limits KSBPL's growth potential, as it can only sell within specific defined territories in Gurugram. Furthermore, with consumers becoming increasingly health-conscious, the carbonated soft drink (CSD) market competitive intensity remains high from other non-carbonated beverages segment.

#### **Impact of Seasonality on business operations**

The company operates in a seasonal business environment, with approximately 65% of sales occurring during the summer months, from March to September. KSBPL has also secured an ad hoc credit limit of Rs 2.00 crore in the month of February 2025. However, this reliance on a specific season poses risks; any technical issues or unforeseen events that disrupt operations during this critical period could adversely impact cash flows and, consequently, the company's ability to service debt and maintain operations.

#### **Analytical Approach:** Standalone

#### **Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

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



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

[Policy on withdrawal of ratings](#)

### **Liquidity – Adequate**

The company's liquidity remains adequate marked by 86.55% average utilisation of fund-based limits during the past 12 months ended June 2025. The company is expecting gross cash accruals in the range of ~Rs. 4.00 crore to ~Rs 6.26 crore against debt obligation in the range of Rs. 1.64 crore to Rs 0.59 crore during FY26-28. The current ratio remains below unity at 0.91x as on March 31, 2025 (Prov.). The working capital cycle of the company stood at 50 days in FY25, which was 45 days in FY24. The unencumbered cash and bank balance stood at Rs. 0.62 crore as on March 31, 2025.

### **About the Company**

Kohli Sons & Beverages Private Limited (KSBPL), founded in 2015, is a distributor of Enrich Agro Food Products Private Limited (EAFPPL) and is engaged in the distribution of carbonated soft drinks of Coco cola such as coco cola soft drink, coco cola light sugar soft drinks, coco cola sprite, coco cola minute maid, coco cola vita punch minute maid, coco cola thumbs up, coco cola maaza cold drink, etc exclusively in Gurugram. KSBPL services around 4,000 outlets daily, including five-star hotels, restaurants, large departmental stores such as Big Bazaar, Spencer, and Reliance Retail, as well as national accounts like Domino's, Air Plaza, SRS, and Aditya Birla. KSBPL is led by Mr. Shyam Sundar Kohli, who has over 35 years of experience in administration, marketing, and distribution of beverages.

### **Financials (Standalone):**

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	147.17	188.48
EBITDA	3.74	4.66
PAT	0.10	0.63
Total Debt	23.10	33.61
Adjusted Tangible Net Worth	1.54	1.37
EBITDA Margin (%)	2.54	2.47
PAT Margin (%)	0.07	0.34
Overall Gearing Ratio (x)	15.02	24.56



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Interest Coverage (x)	2.34	2.62
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\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA: Nil**

**Any other information:** Not Applicable

**Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Rating (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Current Rating	Date(s) & Rating(s) downgraded in 2024-25 (October 30, 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Fund Based Facilities	Long Term	20.85	IVR BB-/Stable; Withdrawn	IVR BB-/Stable	-	-

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### About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd ] 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 and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).





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### Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Reaffirmed/ Outlook
Long Term Fund Based Facility – Cash Credit	-	-	-	-	19.50	IVR BB-/ Stable/Withdrawn
Long Term Fund Based Facility – Term Loan	-	-	-	July 2029	1.35	IVR BB-/ Stable/Withdrawn

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-kohlisons-july25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined 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](http://www.infomerics.com).