



Press Release

South Seas Distilleries & Breweries Private Limited

June 10, 2021

Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action
Proposed 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
Total	25.00		

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

Details of Facilities are in Annexure 1

Detailed Rationale:

The rating revision is because of lack of adequate information regarding South Seas Distilleries & Breweries Private Limited 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 rating to the bank facilities, vide mail communications dated 13th May 2021, and 06th June 2021 and telephonic follow ups. However, despite repeated requests by Infomerics, the company's management has not submitted 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 25.00 crore of South Seas Distilleries & Breweries Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+; Issuer Not Co-operating; Issuer Not Co-operating based on best available information.

Analytical Approach: Standalone



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Applicable Criteria:

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by clients.

About the Company:

South Seas Distilleries & Breweries Private Limited (South Seas) was established on November 29th, 1984. The company is engaged in manufacturing and exporting of Matured Malt, Grain and Blended Whisky in bulk and also bottled Alcoholic Beverages like Vodka, Gin and Rum. The company is promoted by a group of well experienced and business acumen professionals, led by Mrs. Rupri Chinoy, the Chairman & Managing Director. It is Maharashtra's first and India's largest Grain Alcohol Distillery and has around 35K to 40k of oak barrels for its whiskey ageing operations. The company is undergoing a modification cum upgradation in its existing Manufacturing plant based on grains as the feedstock to produce superior quality of potable alcohol (Rectified spirit and Extra Neutral Alcohol).

Financials: Standalone

(INR Crore)

For the year ended/ As On	31-03-2018	31-03-2019
	(Audited)	(Audited)
Total Operating Income	24.32	25.78
EBITDA	10.15	11.78
PAT	3.73	4.98
Total Debt	0.86	0.00
Tangible Net-worth	46.13	51.08
Ratios		
EBITDA Margin (%)	41.74	45.68
PAT Margin (%)	15.33	19.31
Overall Gearing Ratio (x)	0.02	0.00

Status of non-cooperation with previous CRA: Nil

Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument /Facilities	Current Ratings (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 (28/May/2020)	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18



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1.	Proposed Long Term Fund Based Facility – Term Loan	Long Term	25.00	IVR BB+; ISSUER NOT COOPERATING*	IVR BBB-/Stable	--	--
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** Issuer did not cooperate; based on best available information.*

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.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.

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



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Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Proposed Long Term Fund Based Facility – Term Loan	--	--	--	25.00	IVR BB+; ISSUER NOT COOPERATING G*

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