

March 14, 2022

## Kali Aerated Water Works Private Limited: Moved to Non-Cooperating category, Ratings downgraded based on best available information

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term - Fund based- Term Loan	10.00	10.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Downgraded from [ICRA]BBB-(Stable) and Moved to Issuer Not Cooperating category
Long-term - Fund based facilities	7.00	7.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Downgraded from [ICRA]BBB-(Stable) and Moved to Issuer Not Cooperating category
Non-fund Short Term- Interchangeable#	(3.00)	(3.00)	[ICRA]A4+ ISSUER NOT COOPERATING*; Downgraded from [ICRA]A3 and Moved to Issuer Not Cooperating category
<b>Total</b>	<b>17.00</b>	<b>17.00</b>	

\*Issuer did not cooperate; based on best available information <sup>^</sup>Instrument details are provided in Annexure-1 #sub-limit of long-term facilities

### Rationale

The rating downgrade is because of lack of adequate information regarding Kali Aerated Water Works Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at [www.icra.in](http://www.icra.in). 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

As part of its process and in accordance with its rating agreement with Kali Aerated Water Works Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click Here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy in respect of non-cooperation by the rated entity</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	The rating is based on the consolidated financial statements of Kalis Sparkling Water (P) Ltd and Kali Aerated Water Works Private Limited, given the close business and managerial linkages among them.

## About the company

The Kali Group of Companies has been involved in the bottling and marketing of CSDs since 1916 under the brand, Kalimark. Subsequent to the introduction of Bovonto in 1959, the Group has continued expanding its portfolio through the addition of Kalimark Solo, Kalimark Ginger, Kalimark Trio, KalimarkPanneer, and Kali's Club Soda.

Kali Aerated Water Works (Private) Limited (KAPL) was incorporated in 2013 through the amalgamation of several proprietorship concerns held individually by the group's promoters. KAPL with its multiple branches across Tamil Nadu effects sales of CSD sourced from Kalis Sparkling Water (Private) Limited (KSPL), in addition to its own bottling of "Bovonto" and other brands under the group. KAPL had multiple fully and semi-automated manufacturing facilities at Chennai, Virudhunagar, Salem, Kumbakonam, Madurai and Kappalur. At present, there is no manufacturing activity undertaken in KAPL and is only a marketing company for the group.

### Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated	Amount Outstanding as (Rs. crore)	Date & Rating in	Date & Rating in	Date & Rating in	
					14-Mar-22	19-Nov-20	26-Aug-19	19-Apr-18
1	Term Loan	Long Term	10.00	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)
2	Fund based facility	Long Term	7.00	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)
3	Interchangeable Limits	Short Term	(3.00)	-	[ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]A3	[ICRA]A3	[ICRA]A3

Source: KAPL

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Fund based Facility	Simple
Interchangeable Limits	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [www.icra.in](http://www.icra.in)

**Annexure-1: Instrument details**

ISIN No/Banker Name	Instrument Name	Date of Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	FY2017	-	FY2022	10.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING
NA	Cash Credit facility	-	-	-	7.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING
NA	Interchangeable Limits	-	-	-	(3.00)	[ICRA]A4+ ISSUER NOT COOPERATING

Source: KAPL

**Annexure-2: List of entities considered for consolidated analysis:**

Company Name	Ownership	Consolidation Approach
Kalis Sparkling Water (P) Ltd.	-	Full Consolidation
Kali Aerated Water Works Private Limited	-	Full Consolidation

## ANALYST CONTACTS

**Jayanta Roy**

+91 33 7150 1120

[jayanta@icraindia.com](mailto:jayanta@icraindia.com)

**Kaushik Das**

+91 33 71501100

[kaushikd@icraindia.com](mailto:kaushikd@icraindia.com)

**Balaji M**

+91 44 4596 4317

[Balaji.m@icraindia.com](mailto:Balaji.m@icraindia.com)

**Roshan Dugar**

+91 44 4596 4324

[roshan.dugar@icraindia.com](mailto:roshan.dugar@icraindia.com)

## RELATIONSHIP CONTACT

**Jayanta Chatterjee**

+91 80 4332 6401

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2022 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.