

September 15, 2020

Great Galleon Ventures Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Unallocated	50.00	50.00	[ICRA]BBB+ (Stable); withdrawn
Total	50.00	50.00	

*Instrument details are provided in Annexure-1

Rationale

The long-term rating of [ICRA]BBB+ (pronounced ICRA triple B plus) with a stable outlook assigned to the Rs. 50.00-crore bank limits of Great Galleon Ventures Limited (GGVL), have been withdrawn at the request of the company, in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have requisite information to suggest that the credit risk has changed since the time the rating was last reviewed.

Key rating drivers and their description

The key rating drivers have not been captured as the ratings are being withdrawn.

Liquidity position

Liquidity position has not been captured as the ratings are being withdrawn.

Rating sensitivities

Rating sensitivities have not been captured as the ratings are being withdrawn.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of GGVL and its subsidiary Cheer Breweries Limited

About the company

Incorporated in 1985, GGVL is involved in manufacturing of country liquor and Indian Made Foreign Liquor which is retailed under its own brands in Madhya Pradesh. IMFL is retailed under its brands, Goa, King and Ritz, while CL is retailed under the brands, Masala and Plain. GGVL operates a 130 KLPD grain-based distillery in Dhar, Madhya Pradesh for manufacturing of Extra Neutral Alcohol which is the main ingredient for the manufacturing of liquor. It has thirteen semi-automatic and four automatic bottling lines for CL and IMFL. The company's plant also has capabilities to manufacture distilled wet grain solvent and distilled dry grain solvent in its facility.

CBL, subsidiary of GGVL, is in-process of setting up of brewery to be leased out to B9 Beverages Private Limited (Bira) for production of beer under the brand, Bira91. It has undertaken significant capital expenditure of ~Rs. 98.00 crore towards this till FY2019 which was funded through Non-convertible debenture of Rs. 20.00 crore, Rs. 16.00 crore of unsecured loans from related parties and the balance through internal accruals of GGVL. It is estimated to incur ~Rs. 25.00 crore of capital expenditure towards this in FY2020, which is proposed to be funded through internal accruals of GGVL and CBL. CBL has leased the partly completed unit to B9 Beverages Private Limited from October 2019.

Key financial indicators: Not Applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					15-Sep-2020	31-Dec-2019	25-Jun-2018	-
1	Unallocated	Long Term	50.00	-	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-

Amount in Rs. crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Unallocated	NA	NA	NA	50.00	[ICRA]BBB+ (Stable); withdrawn

Source: Great Galleon Ventures Limited

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Great Galleon Ventures Limited	-	Full consolidation
Cheer Breweries Limited	84.15%	Full consolidation

Analyst Contacts

Ravichandran K

+91 44 4596 4301

ravichandran@icraindia.com

Srinivasan R

+91 44 4596 4315

r.srinivasan@icraindia.com

Rathina Pradeep R

+91 44 4297 4307

rathina.r@icraindia.com

Vinodhini M

+91 44 4297 4313

vinodhini.m@icraindia.com

Relationship Contact

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

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

info@icraindia.com

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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