

September 24, 2025

Inbrew Beverages Private Limited: Provisional [ICRA]BB+(Stable) assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	300.00	Provisional [ICRA]BB+(Stable) assigned
Non-Convertible Debentures	475.00	Provisional [ICRA]BB+(Stable) assigned
Total	775.00	

Rating in the absence of pending actions/documents	[ICRA]C
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*Instrument details are provided in Annexure-1

Rationale

The rating assigned is provisional as of now (as denoted by the prefix 'Provisional' before the rating symbol) and is subject to fulfilment of all conditions as mentioned to ICRA including execution of the transaction documents, and the executed documentation being in line with the drafts shared with ICRA. The final rating may differ from the provisional rating in case the completed actions/documentation are not in line with ICRA's expectations.

The rating assigned takes into consideration the established track record of Inbrew Beverages Private Limited (IBPL) in the liquor business for over 50 years. Erstwhile Molson Coors India Private Limited, IBPL was earlier engaged only in beer manufacturing, and ventured into spirits business in June 2022 after it acquired 43 spirit brands (belonging to the mass-market segments) from the United Spirits Limited's (USL) spirits business in India. The promoter of IBPL – Mr. Ravi Deol has a vast and diversified career spanning over two decades across multiple consumer product industries. Consequently, the established track record of the entity and strong promoter background has supported IBPL's robust revenue growth momentum in the past, with the expectations of the same to continue going forward. Aided by the acquisition of USL's 43 mass-market spirit brands in India, IBPL has demonstrated a substantial 120% CAGR during FY2022-FY2025, underlining the robust growth momentum, albeit on a narrow base. The growth momentum is expected to continue going forward, with the company undertaking active efforts to make inroads in newer markets and launch new products across different segments. The company's strategic decision to transition from franchisee-based model to direct model in a couple of states is also expected to provide substantial incremental revenue potential in the near term.

The rating strengths are, however, partially offset by the refinancing risk faced by IBPL amidst a sizeable debt repayment obligation (Rs. 571 crore repayment towards existing NCDs) falling due in September 2025. Nevertheless, ICRA understands that the company is in the final stages of securing refinancing of the aforementioned NCDs through fresh NCDs and bank facilities, which provides some comfort against the said risk. That said, timely completion of the refinancing scheme prior to the due date of scheduled repayment of existing NCDs remains a key rating monitorable. ICRA also notes the high degree of customer and geographic concentration, with the top customer and top state having contributed to over 85% of IBPL's direct revenues in FY2025, exposing the company's operations to a specific customer and region. However, active efforts undertaken by the company to expand its operational presence in newer states along with its plans to go direct from franchisee-based models in a few states over the medium term are likely to result in a gradual reduction in customer and geographic concentration of revenues, going forward. The company also has plans to enhance its overseas presence through boosting its export sales in the medium term. ICRA also notes the presence of IBPL in a highly regulated liquor industry, exposing its operations to regulatory interventions. One such incidence was seen in Q1 FY2026 wherein the hike in excise duty on liquor announced by the Government of Maharashtra had an impact on IBPL's sales in that state. Nevertheless, the said regulatory interventions and their impact are industry-wide phenomenon. IBPL's business operations also remain vulnerable to the

intense competition in the domestic liquor industry, which may restrict the company's pricing flexibility. ICRA also takes note of the exposure of IBPL's profitability to the fluctuations in the raw material prices.

ICRA takes note of the leveraged capital structure of IBPL, given the debt-funded acquisition of brands from USL in FY2023. The gross debt stood at Rs. 736.6 crore as of March 31, 2025, with the company's gearing and total debt/OPBDITA standing at 2.4 times and 3.5 times, respectively, as of March 31, 2025. While the interest coverage improved from 0.7 times (FY2023) to 1.7 times (FY2025) in line with the improving profitability, the sizeable cost of borrowings continues to weigh in on the interest coverage for the company. Going forward, timely completion of the refinancing transaction and improvement in scale and profitability remain crucial for the gradual improvement in the capital structure of the entity.

The Stable outlook on the rating reflects ICRA's expectations that IBPL is likely to sustain its operating metrics, aided by its active efforts to diversify across multiple states and its transition from franchisee-based model to direct model in few of the states. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, if any, to expand its capacities will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Established track record of the entity in liquor business; extensive experience of promoters – Known as Molson Coors India Private Limited earlier, IBPL has over 50 years of operational track record in the Indian liquor industry. The entity also benefits from the extensive experience of its promoters, with its chairman – Mr. Ravi Deol having vast experience of working in the food and beverage industry across the globe. The established track record of the entity and extensive experience of the promoters has helped IBPL in scaling up its operations across multiple states in India.

Presence in multiple liquor segments across spirits and beer offers healthy product diversification – IBPL presently offers five beer brands (such as Thunderbolt, Miller, Carling, Blue Moon, etc.), and also offers over 40 spirit brands across different segments, such as whiskey, rum, gin, vodka, etc. Few of the well-known spirit brands offered by IBPL include Haywards whiskey, Old Tavern whiskey, Bagpiper whiskey, Green Label whiskey, Romanov vodka, White Mischief vodka, etc. Presence in multiple liquor segments across spirits and beer offers healthy product diversification for IBPL, thus safeguarding its business profile against segment-specific slowdown risk to an extent.

Healthy scale up of operations in the recent past with healthy growth momentum likely to be maintained going forward – With the acquisition of USL's 43 mass-market spirit brands in India in FY2023, IBPL's scale of operations has increased robustly, from Rs. 143.9 crore in FY2022 to Rs. 1,549.7 crore in FY2025, demonstrating a substantial CAGR of 120%, albeit on a narrow base, through this period. The revenue growth momentum is expected to remain healthy over the medium term, as the company makes inroads in new states in the domestic market and also focuses on exports in the longer run. A gradual shift for few of the states from franchisee model to direct model is also expected to support the revenue growth momentum for the company. IBPL plans to expend incrementally towards brand promotion activities and product development initiatives in the near to medium term – while these expenditures are likely to have some bearing on profitability in the near term, they are expected to support incremental revenue growth momentum in the medium to long term.

Credit challenges

Refinancing risks, given the sizeable debt repayment due in the near term – With a sizeable debt repayment towards existing NCDs in the near term (Rs. 571 crore repayment getting due on September 27, 2025), IBPL's financial profile remains exposed to the refinancing risks. While the entity is in the final stage in securing refinancing through fresh NCDs and bank facilities, the timely completion of the refinancing transactions prior to the due date of scheduled repayment of existing NCDs remains a key rating monitorable. The refinancing arrangement will also be supported by an equity infusion of Rs. 100 crore by the promoters prior to the due date of refinancing. The said equity infusion is therefore expected to support refinancing transaction, while also extending support to the net worth position and capital structure of IBPL.

High degree of customer and geographic concentration – With its top customer having contributed to around 87% revenues in FY2025 (previous year/PY: 91%) revenues in FY2025, IBPL’s business operations remain vulnerable to the operational risks associated with the said customer. Moreover, Karnataka – the key state for the entity in terms of revenue contribution – generated around 87% of company’s revenues in FY2025 (PY: 90%), thus exposing IBPL’s business operations to any slowdown risk in this particular state. However, active efforts undertaken by the company to expand its presence across multiple states, and transition of a few states from franchisee model to direct model (which will replace franchisee income with direct income in these states) are likely to result in a gradual reduction in customer and geographic concentration for IBPL over the medium to long term.

Exposure to regulatory changes and intense competition – Extensive Government control, ban on advertising in mass media, and the varying tax structures in states pose challenges and restrict the growth of the industry. Further, IBPL’s volumes continue to be vulnerable to macro events such as demonetisation, general economic slowdown, pandemic and specific policy changes such as ban on sale of liquor near highways etc. In the past, the domestic liquor industry has also been impacted by complete ban of alcohol sales in a few states. Moreover, any hike in excise duty by state governments (such as the one seen in Maharashtra in June 2025) may have a bearing on the liquor demand in that state. IBPL’s business operations also remain exposed to the intense competition in the domestic liquor industry. The competition in the industry continues to be high from other domestic players. Further, the spike in the number of microbreweries and craft beer brands across major metros is increasing the overall basket of beer options available to the domestic consumers. Going forward, a strong market share, and consequent economies of scale, in addition to its strong product portfolio and wide distribution reach are expected to support IBPL’s business prospects.

Profitability vulnerable to fluctuations in raw material prices – Given the industry structure wherein the pricing is regulated by the state governments, industry players do not have the flexibility to pass on the increase in raw material costs to customers immediately. This makes the company’s operating margins vulnerable to raw material price trends. In this context, IBPL’s margin trajectory amid highly volatile inputs costs will remain a key monitorable. Nevertheless, ICRA takes note of the steady improvement in profitability over the years, aided by operating leverage benefits as well as cost optimization measures undertaken by the company.

Liquidity position: Stretched

The company’s liquidity profile is stretched, with sizeable repayment obligations lined up in the near to medium term. The cash and liquid investments balance stood at Rs. 94.4 crore as of June 30, 2025 (Rs. 68.2 crore as of March 31, 2025). IBPL’s liquidity profile draws comfort from the track record of a timely financial support from the parent entity, as reflected by subscription of incremental CCDs worth Rs. 58.8 crore in FY2025 by the parent entity. The debt repayment obligations remain sizeable in the near term (with Rs. 571 crore repayment due in September 2025 towards existing NCDs). The capex outlay remains moderate, at Rs. 70-75 crore per annum over the next 1-2 years and is likely to be funded through internal accruals. The liquidity position could improve with the timely completion of the aforementioned refinancing transaction. The said refinancing transaction being finalized for fresh NCDs and bank facilities is expected to accommodate the aforementioned repayment and provide comfort to the liquidity profile through staggered repayment schedules and comparatively lower cost of borrowing.

Rating sensitivities

Positive factors – The ratings could be upgraded if IBPL demonstrates a sustained and considerable scale up in its operations and exhibits higher geographic diversification, while maintaining steady profitability. A sustained improvement in liquidity position could also result in a rating upgrade.

Negative factors – Downward pressure on ratings would arise in case of a sustained decline in the scale of operations and/or a steep and sustained deterioration in profitability. Any delays in the ongoing refinancing transaction could also result in a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy on Provisional Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of IBPL.

Pending actions/documents required to be completed for conversion of provisional rating into final

The assigned rating is provisional and would be converted into final upon:

1. Execution of the facility agreements for the non-convertible debentures and bank borrowing programme towards refinancing the outstanding NCDs
2. Debenture trustee appointment agreement
3. Debenture trust deed
4. Legal opinion
5. Any other document as part of the transaction documents

Validity of the provisional rating

In case the debt instrument/borrowing facility for which a provisional rating has been assigned is subsequently issued, the provisional rating would have to be converted into a final rating within 90 days (validity period) from the date of issuance of the debt instrument/date of availing the borrowing facilities. If considered appropriate, the validity period may be extended by a further 90 days for converting the provisional rating into final, in circumstances where the rated entity expressly indicates its intention to complete the pending actions/documents over the near term. Under no circumstances shall the validity period be extended beyond 180 days from the date of issuance. For further details, refer to ICRA's Policy on Provisional Ratings available at www.icra.in.

If neither the pending actions/documents nor the issuance is completed after one year of the assignment of the provisional rating, ICRA would withdraw the provisional rating. However, the validity period may be extended beyond one year, subject to the conditions outlined in ICRA's Policy on Provisional Ratings available at www.icra.in.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed by the entity within 90 days (validity period) from the date of issuance, the provisional rating will be converted into final upon the review of the required actions/documents to the extent these are completed by the end of the validity period. This implies that the provisional rating may even be revised at the end of the validity period, while being converted into final, to a level commensurate with the rating in the absence of the pending actions/documents (as disclosed earlier in the rationale). ICRA may consider extending the validity period in accordance with its Policy on Provisional Ratings available at www.icra.in.

About the company

Established in 1972, IBPL (erstwhile Molson Coors India Private Limited / MCIPL) is engaged in production, sales and distribution of spirits and beer in India. Inbrew Holdings Pte Ltd (the parent entity of IBPL) acquired MCIPL in February 2021 – along with the beer brands, MCIPL owned two breweries (one each in Punjab and Haryana) at the time of the said acquisition. The brand Thunderbolt was bought, and licenses for four other beer brands (including Miller, Blue Moon and Carling) were also purchased as part of this deal. The licenses are 20-year long in tenure (i.e. from 2021 to 2041). Later on, the company also acquired 43 spirit brands like Haywards, Old Tavern, White Mischief, Green Label, Romanov, etc. from the India operations of Diageo in June 2022.

Key financial indicators

IBPL (Standalone)	FY2024 Audited	FY2025 Audited
Operating income (Rs. crore)	1,602.4	1,549.7
PAT (Rs. crore)	-56.8	3.6
OPBDIT/OI (%)	9.7%	13.4%
PAT/OI (%)	-3.5%	0.2%
Total Outside Liabilities/Tangible Net Worth (times)	5.2	4.2
Total Debt/OPBDIT (times)	4.9	3.5
Interest Coverage (times)	1.2	1.7

PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Source: IBPL, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Sep 24, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Long Term-Fund Based-Cash Credit	Long-term	300.00	Provisional [ICRA]BB+ (Stable)	-	-	-	-	-	-
Non-Convertible Debentures	Long-term	475.00	Provisional [ICRA]BB+ (Stable)						

Source: Company

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term-Fund Based-Cash Credit	Simple
Non-Convertible Debentures	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, are available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	300.00	Provisional [ICRA]BB+ (Stable)
Not placed	Non-convertible Debenture Programme	NA	NA	NA	475.00	Provisional [ICRA]BB+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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