

## Press Release

**Pincon Spirit Limited**

**16 December, 2017**



Name of the Instruments	Amount (Rs. Crore)	Rating/Outlook
Proposed Non-Convertible Debentures	35.00	SMERA BB/Negative (Removed from rating watch and rating downgraded)
Cash Credit	245.00	SMERA BB/Negative (Removed from rating watch and rating downgraded)

SMERA had placed PSL's ratings on Watch with negative implication vide its rationale dated 10 November, 2017.

SMERA has now downgraded the ratings on the Rs. 245.00 crores bank facilities of PSL and the Rs. 35.00 crore Proposed Non- Convertible Debenture Issue of Pincon Spirit Limited (PSL) to '**SMERA BB'**(read as **SMERA double B**) from '**SMERA BBB-**' (read as **SMERA triple B minus**) of Pincon Spirits Limited (PSL). The outlook is '**Negative**'.

The downgrade revision is driven by the recent adverse developments in respect of PSL. PSL had informed exchanges (BSE and NSE) vide its letter dated 07<sup>th</sup> November, 2017 that Mr. Manoranjan Roy (earlier Chairman and Managing Director) was arrested by Special operations group (SOG), Rajasthan Police on 02<sup>nd</sup> November, 2017.

PSL has informed exchanges (BSE and NSE) vide its letter dated 11th December, 2017 that Mr. Monoranjan Roy has tendered his resignation from the Board of Directors of PSL. The company is in the process of filing the necessary forms with the ROC (Registrar of Companies) for giving effect to his resignation at the earliest. PSL is presently in the process of appointing new Managing Director. The operations of the company have been significantly impacted and some of the bankers have initiated steps to curtail the fresh drawings in the accounts.

### **Outlook - Negative**

SMERA believes that PSL's credit profile will be constrained over the near to medium term due to the on-going developments in the company. The ratings can be downgraded in case the operational and financial performance of the company deteriorates significantly and the company's ability to service its debt obligations in a timely manner is jeopardised. The outlook may be revised to 'Stable' if PSL is able to resume its operations and demonstrate optimal level of operational performance while meeting its operational and financial commitments in a timely manner.

### About the rated entity:

PSL is engaged in the business of manufacturing and trading of IMFL (Indian Made Foreign Liquor) and IMIL (Indian Made Indian Liquor) in the state of West Bengal, Karnataka, Orissa, Uttarakhand and other states in South India. The company is also engaged in the business of trading of edible oil in West Bengal and neighbouring states. SMERA has taken a consolidated view of the financial and business risk profile of PSL and its subsidiaries. Together, they have been referred as Pincon Group (PG).

For 6M2017-18 (Provisional), PSL reported PAT of Rs. 13.08 crore on operating income of Rs.402.61 crore.

### Rating History for last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
10-Nov-2017	Cash Credit	Long Term	245.00	SMERA BBB- (Downgraded from SMERA BBB+; placed under Rating Watch with Negative Implications)
	Proposed Non-convertible debentures	Long Term	35.00	SMERA BBB- (Downgraded from SMERA BBB+; placed under Rating Watch with Negative Implications)
09-Mar-2017	Cash Credit	Long Term	245.00 (Enhanced from Rs. 120.00 Cr.)	SMERA BBB+ / Stable (Upgraded from SMERA BBB/Stable)
	Proposed Non-convertible debentures	Long Term	35.00	SMERA BBB+ / Stable (Upgraded from SMERA BBB/Stable)
16-Dec-2015	Cash Credit	Long Term	120.00	SMERA BBB/Stable (Assigned)
	Proposed Cash Credit	Long Term	125.00	SMERA BBB/Stable (Assigned)
	Proposed Non-convertible debentures	Long Term	35.00	SMERA BBB/Stable (Assigned)

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**ABOUT SMERA**

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