

Press Release

Pincon Spirit Limited

07 May, 2018



Rating Downgraded

Name of the Instruments*	Amount (Rs. Crore)	Rating/Outlook
Proposed Non-Convertible Debentures	35.00	SMERA D (Downgraded from SMERA BB/Negative)
Cash Credit	245.00	SMERA D (Downgraded from SMERA BB/Negative)

**Refer annexure for details*

SMERA has downgraded the ratings on the Rs. 245.00 Cr. bank facilities and the Rs. 35.00 Cr. Proposed Non- Convertible Debenture Issue of Pincon Spirit Limited (PSL) to '**SMERA D**'(read as **SMERA D**) from '**SMERA BB/Negative**' (read as **SMERA double B Negative**).

The downgrade is driven by the reported delays in PSL's debt servicing obligation following the adverse developments in the company from November 2017 wherein its Chairman & Managing Director, Manoranjan Roy was arrested by the Special Operations Group, Rajasthan Police. PSL has not been able to sustain its operations subsequently and has not been regular in payment of interest for the working capital facilities. SMERA has been reviewing these developments and has taken successive rating actions in November 2017 and December 2017. It is understood that the account has been currently classified as a Non Performing Asset (NPA) by its bankers.

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
16-Dec-2017	Cash Credit	Long Term	245.00	SMERA BB/Negative (Removed from Rating watch and rating downgraded)
	Proposed Non-convertible debentures	Long Term	35.00	SMERA BB/Negative (Removed from Rating watch and rating downgraded)
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)

***Annexure- Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate (Per cent)	Maturity Date	Size of the Issue (Rs. Cr)	Ratings/Outlook
Non – Convertible Debentures (Proposed)	NA	NA	NA	35.00	SMERA D (Downgraded from SMERA BB/Negative)
Cash Credit	NA	NA	NA	245.00	SMERA D (Downgraded from SMERA BB/Negative)

Contacts:

Analytical	Rating Desk
Suman Chowdhury President - SMERA Bond Ratings Tel: 022-67141107 suman.chowdhury@smera.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 varsha.bist@smera.in
Namita Palve Analyst - Rating Operations Tel: 022-67141129 namita.palve@smera.in	

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smera.in.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.