

December 30, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan	15.41	SMERA BB/Stable (Assigned)
Term Loan (Proposed)	55.00	SMERA BB/Stable (Assigned)
Cash Credit	4.30	SMERA BB/Stable (Assigned)
Bank Guarantee	0.95	SMERA A4+ (Assigned)

SMERA has assigned a long term rating of '**SMERA BB**' (**read as SMERA double B**) and short term rating of **SMERA A4+ (read as SMERA A four plus)** to the above mentioned bank facilities of Alpine Distilleries Private Limited (ADPL). The outlook is '**Stable**'. The ratings are supported by the company's experienced management, healthy revenue growth and above average financial risk profile. The ratings also draw support from the modest scale of operations and established relation with large IMFL (Indian made foreign liquor) players. However, the ratings are constrained by the company's proposed high debt funded project and the execution risk attached to it. The ratings are further constrained by it's exposure to customer concentration risk, limited track record of operations and regulatory risks associated with the liquor industry.

Outlook: Stable

SMERA believes that the outlook of the company will remain stable in the medium term on account of the experienced management, reputed clientele and well established market presence in West Bengal. The outlook maybe revised to 'Positive' if the company is able to complete the project successfully within the time and cost envisaged. Conversely, the outlook maybe revised to 'Negative' if there is significant time or cost overruns in the project or weakening of the financial risk profile.

Rating Sensitivity Factors

- Completing project as per schedule
- Change in government regulations
- Efficient working capital management

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About the Company

The Kolkata-based ADPL (the erstwhile Agnes Impex Private Limited), established in 2002 commenced commercial operations in 2012. The company was promoted by Mr. Debraj Mukherjee, Balbir Singh Malhotra and Mr. Debasis Mukherjee (Directors) and is engaged in the manufacture of Indian Made Foreign Liquor (IMFL) and country spirit at Hooghly, West Bengal.

It has an installed capacity of 175000 and 200000 cases per month for IMFL and country spirit respectively. The company undertakes bottling for reputed brands such as Officers Choice and Old Monk.

For FY2014–15, ADPL reported profit after tax (PAT) of Rs.1.96 crore on total operating income of Rs.100.16 crore, as compared with PAT of Rs.1.03 crore on total operating income of Rs.60.58 crore in FY2013–14. The net worth stood at Rs.28.81 crore as on March 31, 2015, as compared with Rs.24.08 crore a year earlier.

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