

February 03, 2016

Facility	Amount (Rs. Crore)	Rating
Cash Credit	4.00	SMERA BB+/Stable (Assigned)

SMERA has assigned long term rating of '**SMERA BB+**' (read as SMERA double B plus) to the Rs.4.00 crore long term bank facility of Ultra Liquor Private Limited (ULPL). The outlook is '**Stable**'.

The rating is supported by the group's relatively large scale of operations, improving revenue trend and extensive experience of the promoters in the liquor trading industry. However, the rating is constrained by the low margins and average financial risk profile marked by moderate gearing and coverage indicators. The rating is also constrained by the intense regulations associated in the liquor industry.

SMERA has consolidated the business and financial risk profiles of Ultra Liquor Private Limited, Ultra Trades and Holding Company Private Limited and Essbee Intech Private Limited, together referred to as the Ultra Group. The consolidation is in view of the common ownership and operational linkages within the group.

Rating Sensitivity Factors

- Increasing revenues and improving margins
- Improvement in gearing and coverage indicators

Outlook – Stable

SMERA believes that ULPL will maintain a stable business profile owing to its experienced management, long standing operational track record and increasing revenues. The outlook may be revised to 'Positive' in case the company reports better than envisaged sales and net cash accruals while maintaining profitability. Conversely, the outlook may be revised to 'Negative' if the company registers lower-than-expected revenues or profitability or deterioration in the financial risk profile and liquidity position.

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About the Company

ULPL, established in 1996, was promoted by Mr. Anil Grover, Ms. Tamali Basu and Mr. Ankit Grover. The company is engaged in the marketing and distribution of IMFL (Indian Made Foreign Liquor) and beer in Siliguri, Assam.

For FY2014-15 (refers to financial year April 01 to March 31), ULPL reported profit after tax (PAT) of Rs.0.61 crore on operating income of Rs.118.80 crore, as compared with profit after tax (PAT) of Rs.0.19 crore on operating income of Rs.22.19 crore in FY2013-14.

Ultra Group reported consolidated profit after tax (PAT) of Rs.2.32 crore on operating income of Rs.557.38 crore, as compared with profit after tax (PAT) of Rs.1.38 crore on operating income of Rs.310.73 crore in FY2013-14.

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