

**February 03, 2016**

Facilities	Amount (Rs. Crore)	Ratings
<b>Cash Credit</b>	<b>7.00</b>	<b>SMERA BB+/Stable (Assigned)</b>
<b>Bank Guarantee</b>	<b>0.44</b>	<b>SMERA A4+ (Assigned)</b>

SMERA has assigned long term rating of '**SMERA BB+**' (read as **SMERA double B plus**) to the Rs.7.00 crore long term bank facility and '**SMERA A4+**' (read as **SMERA A four plus**) to the Rs.0.44 crore short term bank facility of Ultra Trades & Holding Company Private Limited (UTHCPL). 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 UTHCPL 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

UTHCPL, established in 1989 was promoted by Mr. Anil Grover, Ms. Tamali Basu, Mr. Ankit Grover and Mr. Shubhadeep Dhar. The company is engaged in the marketing and distribution of IMFL and beer in Kolkata.

For FY2014-15 (refers to financial year April 01 to March 31), UTHCPL reported profit after tax (PAT) of Rs.0.91 crore on operating income of Rs.211.48 crore, as compared with profit after tax (PAT) of Rs.0.51 crore on operating income of Rs.114.69 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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