

### Vintage Coffee Private Limited (VCPL): Assigned

Facility	Amount (Rs. Crore)	Rating/Outlook
Term Loan*	51.17	SMERA B/Stable (Assigned)

\*Import letter of credit/buyer as sublimit of Term loan of Rs.12.00 crore.

\*Inland Letter of credit limit as sublimit of Term loan of Rs.8.00 crore.

SMERA has assigned rating of '**SMERA B**' (read as **SMERA B**) to the Rs.51.17 crore long-term (fund-based) bank facility of Vintage Coffee Private Limited (VCPL). The outlook is '**Stable**'. The rating is constrained by the project execution risk associated with the company's upcoming instant coffee production unit. However, the rating draws comfort from the experienced management and long-term supply agreement with Bokpyr Cbeta for around 500-600 tons per annum of instant coffee. The rating is further supported by the rising demand for instant coffee.

VCPL proposes to set up an instant coffee production plant with an installed capacity of 4500 MTPA in Secunderabad, Telangana. The above rating factors in the project execution risk as the installation of machinery is underway. The company plans to commence production in June 2017.

VCPL benefits from its experienced management. Mr. T. Balakrishna, Mr. Mohit Rathi, Mr. Michael Chin and Mr. Vishal Jethalia, Directors, have 25 years of experience in the abovementioned industry.

VCPL has entered into a long-term supply agreement (minimum quantity of 500-600 mtpa) with Bokpyr Cbeta and is likely to benefit from the healthy growth prospects of instant coffee.

#### Rating Sensitivity Factors

- Timely completion of project
- Achieving revenues as per projections

#### Outlook: Stable

SMERA believes that the outlook on VCPL's rated facilities will remain stable over the medium term owing to the company's experienced management and group entity support. The outlook may be revised to 'Positive' in case the company successfully commissions the project on time and generates adequate cash flows and healthy profits. Conversely, the outlook may be revised to 'Negative' in case of project execution delays resulting in losses and additional debt requirements.

#### Criteria applied to arrive at the rating:

- Manufacturing Entities

#### About the Company

VCPL, incorporated in 2015, was promoted by Mr. T. Balakrishna, Mr. Mohit Rathi, Mr. Michael Chin and Mr. Vishal Jethalia. The company is setting up an instant coffee production plant with an installed capacity of 4500 mtpa at Secunderabad, Telangana.

**Contacts:**

Analytical	Business Development
<p>Mr. Mohit Jain Vice President – Ratings Operations, Tel: +91-22-6714 1105 Cell: 9619911017 Email: <a href="mailto:mohit.jain@smera.in">mohit.jain@smera.in</a></p>	<p>Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: <a href="mailto:suman.m@smera.in">suman.m@smera.in</a></p>

**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](http://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](http://www.smera.in)) for the latest information on any instrument rated by SMERA.