

### 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.

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