



Adie Broswon Breweries Pvt. Ltd.

Instrument	Amount	Rating Action
	In Rs. Crore	As on November 2015
Fund Based limits	81.14	[ICRA]B+; Upgraded
Unallocated limits (Long term)	24.31	[ICRA]B+; Upgraded
Non Fund based limits	7.00	[ICRA]A4; Reaffirmed
Total	112.45	

ICRA has revised its rating on the Rs. 105.45 crore fund based bank facility of Adie Broswon Breweries Pvt Ltd (ABBP) to [ICRA]B+ (pronounced ICRA B plus) from [ICRA]B (pronounced ICRA B). ICRA has reaffirmed its short term rating of [ICRA]A4 (pronounced ICRA A four) on the Rs. 7.00 crore non fund based limits of the company.

The revision takes into account healthy growth in the operating income (OI) in FY15 to Rs. 62.68 crore compared to Rs. 27.29 crore on the back of healthy production for SAB Miller as well as offtake of their own brand 'Rockberg'. The rating also considers the healthy sales booked till October 2015 of Rs. 48.56 crore giving a revenue visibility in the near term. The company has reported positive net cash accruals (NCA) in FY15 since the project took off giving comfort on improving its ability to be able to service a portion of its debt obligations from the core operations. ICRA also favorably takes into consideration the expanding geographical footprint of Rockberg to Delhi, Uttarakhand, Daman and more. Further, the ratings continue to take into account the company's tie up with Skol Breweries Limited (SBL)[†] for offtake of production corresponding to 35% of its installed capacity and the pass through clause in its contract with SBL which insulates ABBP's profit margins from raw material price variations.

However, the rating remains constrained by the continuing net losses reported in FY15 coupled with high interest expenses. The ratings also factor in the vulnerability of the company's business to change in state government policies and the seasonality of sales associated with sales of beer. Given the company's sizeable debt repayment obligations and the continuing net losses, the rating is constricted on the belief that the promoters will undertake additional fund infusion into the company.

Going forward, the company's ability to successfully launch other brands and achieve adequate capacity utilization while improving its profit margins and servicing the debt obligations in a timely manner will be the key rating drivers.

About the Company:

ABBP was incorporated in March, 2010 and is engaged in brewing beer at its manufacturing facility located in Amritsar, Punjab. The company is a part of the Late Mr. Hardeep Chadha Group. The company has an installed capacity for manufacturing and brewing 5 lakh hector liters of beer per annum. ABBP also undertakes contract manufacture for SBL which is a 99% owned subsidiary of SAB Miller plc and has tied up 35% of its installed capacity for SAB Miller's brands 'Haywards 5000' and 'Foster's' at a fixed conversion cost. The company has also recently launched its own beer brand "Rockberg".

Recent Results:

ABBP reported an OI of Rs. 62.68 crore and a net loss of Rs. 3.06 crore for 2014-15, as compared to an OI of Rs. 27.29 crore and a net loss of Rs.16.68 crore for the previous year.

November 2015

^{*} For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

[†] 99% owned by SAB Miller plc.



For further details please contact:

Analyst Contacts:

Mr. Sabyasachi Majumdar (Tel. No. +91 124 4545304)
sabyasachi@icraindia.com

Relationship Contacts:

Mr. Vivek Mathur (Tel. No. +91-124-4545310)
vivek@icraindia.com

© Copyright, 2015, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**Mobile: **9871221122**Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**Mobile: **9821086490**Email: shivakumar@icraindia.com

1802, 18th Floor, Tower 3,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone, Mumbai 400013,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**Mobile: **+91 9903394664**Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**Mobile: **989986490**Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-
79-25569231

Pune**Mr. L. Shivakumar**Mobile: **989986490**Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills
Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

Hyderabad**Mr. Jayanta Chatterjee**Mobile: **9845022459**Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B, Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500