

## Polaris Liquor Private Limited

Instrument	Amount	Rating Action
Long term, fund based limits-Cash Credit	Rs. 32.50 crore	[ICRA]BB (Stable)/Reaffirmed

ICRA has reaffirmed the [ICRA]BB (pronounced ICRA double B) rating to Rs. 32.50 crore<sup>1</sup> of cash credit facility of Polaris Liquor Private Limited (PLPL/'the company')<sup>†</sup>. The outlook on the long term rating is stable.

The rating reaffirmation takes into account long experience of the promoters of over three decades in the liquor trading and allied businesses as well as established relationships with the UB Group. The company enjoys healthy scale of operations due to large market share of the principal and high purchasing power in the urban area of operations of the distributorship business. The ratings are, however, constrained by stretched financial risk profile characterised by low accruals, moderately high gearing, modest coverage indicators, working capital-intensive operations and vulnerability to government regulations, which have direct bearing on demand. ICRA also notes that the company faces competition from the distributors of other principals in Pune region. Ability to scale up the distributorship business and working capital cycle management remain key sensitivity factors for the company going forward.

### Company Profile

Polaris Liquor Private Limited (PLPL) is a part of the N.R. Group of Companies, promoted by Mr. Neeraj Rawal and is a major distributor of Indian Made Foreign Liquor (IMFL), especially of United Breweries Group in Maharashtra and Andhra Pradesh. Primarily, PLPL is engaged in distributorship of all brands of United Breweries Limited (UBL) and United Spirits Limited (USL) in specified areas of Pune except three brands, namely Signature, DSP Blue and Antiquity. The company also sells imported wine and beer among others.

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<sup>1</sup> 100 lakh = 1 crore = 10 million

<sup>†</sup> For complete rating definition, please refer to ICRA website [www.icra.in](http://www.icra.in) or any of the ICRA Rating Publications.

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