



## Rating Rationale

### Adie Broswon Breweries Private Limited

14 Feb 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Adie Broswon Breweries Private Limited.

#### Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
<u>Fund Based</u> Term Loan Cash Credit*	53.40 29.60	Long Term	<b>BWR BB-</b> (Pronounced as BWR Double B Minus) Outlook: Stable
<u>Non Fund Based</u> BG/LC	7.00	Short Term	<b>BWR A4</b> (Pronounced as BWR A Four)
<b>Total</b>	<b>90.00</b>	<b>(INR Ninety Crores Only)</b>	

- Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings
- Cash credit facilities includes a proposed limit of Rs 20.00 Crores

#### Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financials up to FY 16, projected financials up to FY18, publicly available information and Information & Clarifications provided by the company's management.

The rating has inter alia factored in, experienced management, reputed customer and supplier base with moderate scale of operations. The rating also draws comfort of support by group companies namely; Great Value Fuels Pvt Ltd, Chadha Sugars & Industries Pvt Ltd and AB Grain Spirits Pvt Ltd. However, the rating is constrained by weak debt protection metrics, low profitability margins, stretched liquidity and elongated conversion cycle. Going forward achieving projected revenues for FY17 would be a key rating sensitivity.

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## Rating Outlook: Stable

BWR believes the Adie Broswon Breweries Private Limited business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

## About the Company

Adie Broswon Breweries Private Limited was constituted as a private limited company in March 2010, for setting up a brewery. The manufacturing unit is located in Village Kiri Afgana, Tehsil Batala, Distt Gurdaspur, Punjab and the corporate office is located in Ambience Mall, NH-8, Gurgaon. The commercial production was started in May 2012. Adie Broswon Breweries Private Limited is the part of Late Mr Hardeep Chadha Group and is presently being managed by Mrs Jasdeep Kaur Chadha wife of Late Shri Hardeep Chadha.

## Company Financial Performance

The company's revenue stood at Rs. 67.82 Crores for FY16 as against Rs. 61.72 Crores in FY15. The company has incurred a loss of Rs. 2.53 Crores in FY16 as against a loss of Rs. 3.06 Crores in FY15.

## Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Facility	Current Rating (January 2017)			Rating History		
		Type	Amount (Rs Cr)	Rating	2016	2015	2014
1	Term Loan	Long Term	53.40	BWR BB- Outlook: Stable	NA	NA	NA
2	Cash Credit*		29.60				
3	BG/LC	Short Term	7.00	BWR A4			

- Cash credit facilities includes a proposed limit of Rs 20.00 Crores

## Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Sector](#)
- [Short Term Debt](#)



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**For print and digital media**

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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

**DISCLAIMER**

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