

## Associated Alcohols and Breweries Limited

February 06, 2017

### Rating

Facilities/ Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Commerical Paper (CP) issue*	-	-	Withdrawn

*Details of instruments/facilities in Annexure-1*

*\*carved out of the sanctioned working capital limits of the company*

### Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating assigned to the Commercial Paper issue of Associated Alcohols and Breweries Limited with immediate effect, as the company has confirmed that there is no amount outstanding under the CP issue as on date.

**Outlook:** Not applicable

**Analytical approach:** Standalone

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

Incorporated in 1989, AABL is a public limited listed company and the flagship entity of the Indore-based Kedia group promoted by late Mr Bhagwati Prasad Kedia. The group is currently owned and managed by Mr Anant Kedia and Mr Prassan Kedia along with their family members/associate concerns.

AABL is the second-largest distillery in MP and is engaged in the manufacturing of potable alcohol, ie, Rectified Spirit (RS), ENA, CL and IMFL with an installed capacity of 104 kilo litre per day (KLPD) and undertakes bottling of IMFL for Diageo India Private Limited (Diageo). AABL's distillery and bottling facility is located at Khargone, MP. AABL also has a wind-based power plant of 0.75 megawatt in Tamil Nadu.

In 2009, the Kedia group had also setup a brewery unit under AABL's associate company, Mount Everest Breweries Limited [MEBL; rated 'CARE BBB+ (SO); Positive / CARE A2 (SO)']. MEBL undertakes contract manufacturing of beer for United Breweries Limited (UBL); apart from manufacturing and selling beer under its own brands 'Le Mont', 'Mount's 6000' 'Dabang' etc. MEBL has an assured off take arrangement to the extent of 18 lakh-cases of beer per annum with UBL. As on March 31, 2016, MEBL had an installed capacity of 4 lakh Hectoliters (51.28 lakh cases) of beer per annum at its facility located at Memdi, Indore, MP.

During FY16 (refers to the period April 1 to March 31), AABL earned a PAT of Rs.14.29 crore on a TOI of Rs.288.27 crore as against a PAT of Rs.12.34 crore on a TOI of Rs.300.04 crore in FY15. As per the provisional results for 9MFY17, AABL reported TOI of Rs.232 crore and earned a PAT of Rs.12.81 crore as against TOI of Rs.215.84 crore and PAT of Rs.9.95 crore during 9MFY16.

**Status of non-cooperation with previous CRA:** CRISIL has reaffirmed its outstanding ratings for the bank facilities of AABL during August 2016 based only on publicly available information as AABL has not cooperated with CRISIL in its surveillance process.

**Any other information:** Not applicable

**Rating History for last three years:** Please refer Annexure-2

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Commercial Paper (Carved out)	-	-	-	0.00	Withdrawn

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015	Date(s) & Rating(s) assigned in 2013-2014
1.	Commercial Paper (Carved out)	ST	-	-	-	1)CARE A2 (17-Feb-16)	-	-

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