

Gwalia Sweets Private Limited

June 27, 2022

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	15.23	CARE BB-; Stable; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable; (Double B; Outlook: Stable)
Total Facilities	15.23 (Rs. Fifteen Crore and Twenty-Three Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated April 23, 2021, placed the rating(s) of Gwalia Sweets Private Limited (GSPL) under the 'issuer non-cooperating' category as GSPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. GSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 09, 2022, March 19, 2022, March 29, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of GSPL have been revised on account of non-availability of requisite information. The ratings also factored in decline in scale of operations, continued net losses, deterioration in capital structure and debt coverage indicators in FY21 over FY20.

Detailed description of the key rating drivers

Please refer to PR dated [April 23, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Ahmedabad (Gujarat) based GSPL was established in April 1994 as a private limited company by three promoters namely Mr. Nandkishore Sharma, Mr. Deepak Sharma and Jay Sharma for manufacturing of sweets, namkeens, confectionery etc. GSPL has set up a plant for processing plant GIDC Naroda. Commercial operations commenced from September 2017 for groundnut processing and for Flour from April 2018. GSPL has 25 small and large outlets in different states along with 8-10 kiosks.

Brief Financials (Rs. crore)	FY20(A)	FY21(A)	FY22(Prov.)
Total operating income	77.28	51.14	NA
PBILDT	4.22	3.50	NA
PAT	-0.02	-0.02	NA
Overall gearing (times)	3.81	5.26	NA
Interest coverage (times)	1.88	1.40	NA

A: Audited; Prov.: Provisional; NA: Not Available

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	IS IN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	December, 2028	15.23	CARE BB-; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

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) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	15.23	CARE BB-; Stable; ISSUER NOT COOPERATING *	-	1)CARE BB; Stable; ISSUER NOT COOPERATING * (23-Apr-21)	-	1)CARE BB; Stable; ISSUER NOT COOPERATING * (16-Mar-20)

*Issuer did not cooperate; Based on best available information

Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company:

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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