



Rating Rationale

Gagan Distillers & Beverages Private Limited

31 May 2019

Brickwork Ratings has revised the ratings assigned to the Bank Loan Facilities of Gagan Distillers & Beverages Private Limited.

Particulars

Facility Rated	Previous Review Amount (Rs. Crs)	Current Review Amount (Rs. Crs)	Tenure	Previous Rating (April,2017)	*Current Rating Assigned
Fund Based Cash Credit	20.00	20.00	Long Term	BWR BB- (Pronounced as BWR Double B Minus) Outlook: Stable	BWR D (Pronounced as BWR D) (Downgrade)
Total	20.00	20.00	INR Twenty Crores Only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Ratings Downgrade

The last rating was done in April,2017 and the surveillance was due for a review in April,2018. Despite follows up, the company did not provide the required information Now It has been brought to the notice of Brickwork that the company is facing liquidity stress. As per banker feedback dated 30/05/2019 it has been confirmed that there are delays in servicing of debt and account is classified in NPA category and the same has been confirmed from the company representative on 31/05/2019.



Limitation of the rating:

Information availability risk is a key factor in the assessment of credit risk as generally, non-co-operation by the rating entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

About the Company (as per the information available in April,2017)

Gagan Distillers & Beverages Private Limited (GDBPL) is engaged in distribution of IMFL, Beer and Country Liquor. The company was incorporated on 6th August 1998 at New Delhi. Earlier the company was named Gagan Distillers Pvt Ltd but the name has been changed to Gagan Distillers & Beverages Pvt Ltd in April 2014. Currently, GDBPL has the wholesale operations of Liquor in Ferozepur, Punjab and retails outlets in Abohar and Zira, Punjab.

Company's Financial (as per the information available in April,2017)

GDBPL reported operating income of Rs 120.82 Cr with a net profit of Rs 1.35 Cr in FY16 against an operating income of Rs 84.37 Cr with a net profit of Rs 1.69 Cr in FY15.

Rating History for the last three years (including withdrawn/suspended ratings)

S.No.	Instrument/ Facility	Current Rating (2019)			Rating History		
		Type	Amount (Rs Crs)	Rating	2018	2017	2016
1.	Cash Credit (CC)	Long Term	20.00	BWR D (Pronounced as BWR D) (Downgrade)	Rating Not Reviewed	BWR BB- (pronounced as BWR Double B Minus) Outlook : Stable	BWR BB- (pronounced as BWR Double B Minus) Outlook : Stable
Total			20.00	INR Twenty Crores Only			



Status of non-cooperation with previous CRA: NA

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Trading Entities](#)
- [Default Recognition and Default Curing Perioded](#)

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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 Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, 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 leading public sector 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, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.



DISCLAIMER

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