

Rating Rationale

Gourmet Empire Pvt Ltd

5 April 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.11.64 Crs. of Gourmet Empire Pvt Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)	Tenure	Rating *
Fund Based Cash Credit (C.C) Term Loan	5.92 5.72	Long Term	BWR BB- (Pronounced as BWR Double B Minus) Outlook: (Stable)
Total	Rs. 11.64 Crores (Rupees Eleven Crores Sixty Four Lakh Only.)		

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating assigned to the bank facilities of Gourmet Empire Pvt Ltd positively factor increasing revenue and positive outlook of bakery products. The ratings are however, continues to remain constrained due to short track record of the entity, moderate scale of operations, highly competitive and fragmented business, working capital intensive nature of operations, leveraged capital structure and low profit margins.

Going forward improving scale of operations, profitability margins and capital structure would be the key rating sensitivity.

Rating Outlook: Stable

BWR believes the Gourmet Empire Pvt Ltd 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

Gourmet Empire Private Limited (GEPL) is a Private Limited Company, incorporated in August 2013 and currently being managed by Mrs. Harvinder Kaur and Mr. Varinder Singh. The company is engaged in the manufacturing of various bakery products such as breads, pizza base, pao, fruit buns and cookies at its manufacturing unit located in Mohali. GEPL is currently running restaurants under the name of ‘Garlic and Green’ in Chandigarh & Ludhiana. The company sells its bakery products under the brand name “Southampton Bakes” to wholesalers such as Wal-mart India and in the states of Punjab, Haryana, Chandigarh, Himachal Pradesh etc. GEPL also manufactures biscuits under the brand name “GOBIND BISCUITS” in Mohali, Punjab.

Company Financial Performance

Company generated total operating income of ₹ 17.40 Crs. In FY16 as compared to ₹ 6.16 Crs. in FY 15. Profit after tax of company stood at ₹ 0.27 Crs. in FY16 against ₹ 0.02 Crs. in FY15

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Cash Credit (C.C)	Long Term	5.92	BWR BB-	N.A	N.A	N.A
2	Term Loan	Long Term	5.72	BWR BB-	N.A	N.A	N.A

Status of non-cooperation with previous CRA (if applicable): N.A

Any other information: N.A

Hyperlink/Reference to Applicable Criteria

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

For any other criteria obtain hyperlinks from website



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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, 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 100cities.

DISCLAIMER

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