

Rating Rationale

Brickwork Ratings assigns a rating of 'BWR B- (Outlook: Stable)' for Bank Loan facilities aggregating ₹13.72 Cr of New Gujarat Cola Private Limited

Brickwork Ratings has assigned the following **Ratings**¹ for Bank Loan facilities aggregating ₹ 13.72 Crores of New Gujarat Cola Private Limited (NGCPL):

Nature of Facility	Sanctioned/Re newal Limit 15-Mar-16	Rating Amount	Tenure	Rating Recommendation
Bank of India	(₹ Cr)	(₹ Cr)		
Fund Based			Long Term	BWR B- (Pronounced as BWR B Minus) (Outlook:Stable)
Cash Credit	3.75	3.75		
Cash Credit - B/D	(2.00)	(2.00)		
Term Loan I	7.48	7.29		
Term Loan II	3.52	2.68		
Total	14.75	13.72	INR Thirteen Crores and Seventy Two Lakhs Only/-	

BWR has essentially relied upon the Audited financials up to FY15 of New Gujarat Cola Private Limited, projected financials up to FY17 and publicly available information/clarifications provided by the company's management.

The rating factors, *inter alia*, experience of the promoters and commencement of operations in FY 16. However, the rating remains constrained due moderate financial profile of the company, and severe competition from established players/brands.

Company Background and Management

New Gujarat Cola Private Limited is a Private Limited Company, incorporated on 26th December 2011 at Rajula, Gujarat. The company is a manufacturer of cold drinks & mineral waters and packaging, and started its commercial operations/production in April 2016. Manufacturing capacity is 1,72,80,000/-Ltr Per Annum. The company's product includes Different Variety of Cold Drinks - Cola, Jeera Masala, Lemon, Mango, Orange, and Pineapple. The Company is promoted by Mr. Laljibhai Vallabhbhai Hadiya, Mr. Maheshbhai Ratnabhai Katariya and Mr. Sukalbhai Karsanbhai Kalsariya, who have previous experience of manufacturing and distributing mineral water.

Financial Performance

The company has not provided audited financials for FY16, and indicated us they have achieved Net sales of Rs. 8.11 Crores and earned profit of Rs. 0.22 Crores. Their Net Worth as of FY16 was. Rs. 4.32 Crores. Debt to Equity ratio stood at 3.56 times as on FY 16. Term Loan and Working Capital facilities are availed from Bank of India.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Rating Outlook:

The company's has started production in FY 16, and the outlook is expected to be stable over the coming year. Going forward, the company's ability to utilize its full capacity to achieve projected revenue & profitability, and manage working capital efficiently would be the key rating sensitivities.

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