



March 26, 2016

Facilities	Amount (Rs. Crore)	Rating
Term Loan	30.17 (enhanced from Rs. 5.00 Crore)	SMERA BBB-/Stable (Reaffirmed)
Cash Credit	45.50 (enhanced from Rs.5.00 crore)	SMERA BBB-/Stable (Reaffirmed)
Bank Guarantee	0.50	SMERA A3 (Assigned)
Letter of Credit	0.50	SMERA A3 (Assigned)
Proposed Fund Based /Non Fund Based	8.33	SMERA BBB-/Stable/SMERA A3 (Assigned)

SMERA has reaffirmed the long term rating of '**SMERA BBB-**' (**read as SMERA triple B minus**) on the Rs.75.67 crore fund based bank loan facilities. Further, SMERA has assigned long term rating of '**SMERA BBB-**' (**read as SMERA triple B minus**) on Rs.8.33 crore proposed fund based facilities and short term rating of '**SMERA A3**' (**read as SMERA A three**) on Rs.1.00 crore bank facilities of G. D. Foods Manufacturing (India) Private Limited (G.D Foods). The outlook is '**Stable**'. The rating is supported by the established brand presence of 'Tops' in the domestic market and comfortable financial risk profile marked by moderate profitability and return indicators. The rating also takes into account the extensive experience of the promoters in the FMCG industry. However, the rating is constrained by the company's exposure to agro climatic risk and intense market competition in the FMCG industry.

Outlook: Stable

SMERA believes G.D Foods will maintain a stable business risk profile over the medium term. The company will continue to benefit from its established operations and experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and net cash accruals. Conversely, the outlook may be revised to 'Negative' if there's significant deterioration in the financial risk profile and liquidity position.

Rating Sensitivity Factors

- Improvement in profitability margins
- Diversification in product portfolio

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

G. D. Foods Manufacturing (India) Private Limited (G.D Foods)

*Rating
Rationale*

About the Company

G.D. Foods, incorporated in 1985 is promoted and managed by Mr. B. M. Seth and Mr. Nitin Seth. The company is engaged in the manufacturing and distribution of FMCG products. It sells its products under the 'Tops' and 'Royal Taste' brand names.

The company reported net profit of Rs.9.87 crore on total income of Rs.224.46 crore for FY2014-15, as compared with net profit of Rs.2.73 crore on total income of Rs.183.65 crore in FY2013-14. The net worth stood at Rs.38.69 crore as on March 31, 2015, as against Rs.27.66 crore a year earlier.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Suman M National Sales Head – Emerging Corporate Group Tel No: 022 67141151 Cell: 9892306888 Email: suman.m@smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-11-4973 1312 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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