

Press Release

G. D. Foods Manufacturing (India) Private Limited

December 16, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 85.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-/ Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

Refer Annexure for details`

* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the rating of G D Foods Manufacturing (India) Private Limited to '**ACUITE BB+**' (**read as Acuité double B plus**) from '**ACUITE BBB-**' (**read as Acuité triple B minus**). The short term rating has been downgraded to '**ACUITE A4+**' (**read as Acuité A four plus**) from '**ACUITE A3**' (**read as Acuité A three**). The rating downgrade is on account of information risk.

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 such as sauce, pickles, jam, custard powder, instant mix, muffin, jelly, baking powder, cornflakes etc. It sells its products under the 'Tops' and 'Royal Taste' brand names.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of G D Foods to arrive at this rating.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
08-Oct-2018	Cash Credit	Long Term	45.50	ACUITE BBB- (Indicative)
	Term Loan	Long Term	30.17	ACUITE BBB- (Indicative)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Indicative)
	Letter of Credit	Short Term	0.50	ACUITE A3 (Indicative)
	Proposed Long Term	Long Term	8.33	ACUITE BBB- (Indicative)
07-July-2017	Cash Credit	Long Term	45.50	ACUITE BBB- (Indicative)
	Term Loan	Long Term	30.17	ACUITE BBB- (Indicative)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Indicative)
	Letter of Credit	Short Term	0.50	ACUITE A3 (Indicative)
	Proposed Long Term	Long Term	8.33	ACUITE BBB- (Indicative)
36-Mar-2016	Cash Credit	Long Term	45.50	ACUITE BBB-/Stable (Reaffirmed)
	Term Loan	Long Term	30.17	ACUITE BBB-/Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Assigned)
	Letter of Credit	Short Term	0.50	ACUITE A3 (Assigned)
	Proposed Long Term	Long Term	8.33	ACUITE BBB-/Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	45.50	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	30.17	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4+ (Downgraded from ACUITE A3 Issuer not co-operating*)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4+ (Downgraded from ACUITE A3 Issuer not co-operating*)

Proposed Long Term	Not Applicable	Not Applicable	Not Applicable	8.33	ACUITE A4+ (Downgraded from ACUITE A3 Issuer not co-operating*)
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*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile ACUITE Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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