



SMERA RATINGS LIMITED

G.K. Proteins Private Limited (GPPL)**Rating
Rationale****February 20, 2014**

Facilities	Amount (Rs. Crore)	Rating
Letter of Credit	30.00	SMERA A4 (Assigned)

SMERA has assigned a rating of '**SMERA A4**' (read as **SMERA A four**) to the Rs.30.00 crore bank facilities of G.K. Proteins Private Limited (GPPL), a GG Group entity. SMERA has taken a consolidated view on the GG Group to assign the rating. The consolidation is in view of the common management and strong operational linkages shared by the group entities.

GPPL's rating is mainly constrained by the company's weak financial profile and working capital-intensive operations. The rating is further constrained by the susceptibility of the group's profit margins to intense competition prevalent in the edible oil trading industry, volatility in edible oil prices and fluctuations in foreign exchange rates. However, the rating is supported by the group's experienced management, long-standing relationships with customers and suppliers and healthy net worth.

GPPL, established in 2012, is a Punjab-based company engaged in trading of imported edible oils. GPPL has a weak financial profile marked by negative net worth of Rs.(0.02) crore as on March 31, 2013 and low net profit margin of 0.50 per cent in FY2012-13 (refers to financial year, April 01 to March 31). GPPL's operations are working capital-intensive. The company's payable period is stretched at around 60 days in FY2012-13. The GG Group faces intense competition from a large number of players in the unorganized sector of the edible oil trading industry. The group's profit margins are susceptible to volatility in edible oil prices and fluctuations in foreign exchange rates.

GPPL benefits from its experienced management. The company's promoters have around ten years of experience in the edible oil trading industry.

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.K. Proteins Private Limited (GPPL)

Rating Rationale

About the group

The GG Group (based in Bathinda, Punjab) is engaged in trading of edible oils since 2009. The group's net worth stood at ~Rs. 40.07 crore as on December 31, 2013.

About the company

GPPL, established in 2012, is a Punjab-based company promoted by Ms. Anu Garg and Ankit Jain. GPPL is engaged in trading of edible oils.

For FY2012-13, GPPL reported PAT of Rs.0.003 crore on operating income of Rs. 0.56 crore. GPPL's net worth stood at Rs. -0.02 crore as on March 31, 2013.

Contact List:

Media/Business Development	Analytical Contacts	Rating Desk
Sanjay Kher Head – Sales, Corporate Ratings Tel : +91 22 6714 1193 Cell : +91 98191 36541 Email : sanjay.kher@smera.in Web: www.smera.in	Umesh Nihalani Head - Corporate Ratings, Tel: +91-22-6714 1106 Email: umesh.nihalani@smera.in	Tel: +91-22-6714 1170 Email: ratingdesk@smera.in

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.