Godhan Masala Foods Limited

December 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	29.70	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Godhan Masala Foods Limited (GMFL) to monitor the rating vide e-mail communications dated December 15, 2025, December 02, 2025, November 17, 2025 and November 14, 2025 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The ratings on GMFL bank facilities will now be denoted as '**CARE BB-; Stable; ISSUER NOT COOPERATING'.**

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of Godhan Masala Foods Limited (GMFL) have been revised on account of non-availability of requisite information. The ratings remained constrained on account of its leveraged capital structure and debt coverage indicators, presence in a highly fragmented and competitive agro-commodity industry, volatility of raw material prices. The ratings, further, derives strength account of growing scale of operations and profitability, experience of promoters in food processing business, established brand name in Northern India.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

At the time of last rating on December 24, 2024 the following were the rating strengths and weaknesses.

Key weaknesses

Leveraged capital structure and debt coverage indicators

Capital structure of GMFL remained moderate as marked by overall gearing of 3.37x as on March 31, 2024 owing to proceeds received from share application and accretion of profit to reserve and surplus. Further, debt coverage indicators remained moderate as exhibited by interest coverage of 3.70x in FY24, improved from 3.05x for FY23. Also, Total debt to GCA improved from 6.50 times as on March 31, 2023, to 2.87 times as on March 31, 2024, owing to higher cash accruals.

Presence in a highly fragmented and competitive agro-commodity industry

Godhan Masala Foods Limited is in a competitive and highly fragmented agro-commodity industry which has a presence of large number of small and medium scale players. Further, the overall value addition in the trading industry is very low which translates into thin profitability. Firm also faces intense competition from large established players in the industry, who have global sourcing and customer base.

Volatility of raw material prices

GMFL primarily depends on agricultural commodities like Spices, wheat flour, oats, sugar etc. as essential raw materials. These materials constitute majority of the total production cost. The company's profitability is highly sensitive to fluctuations in raw material prices, influenced by seasonality, monsoon conditions, and government policies. Due to the commoditized nature of the business, which involves limited value addition, any increase in raw material prices cannot be fully transferred to customers.

Key Strengths

Growing scale of operations and profitability

Operating performance of GMFL improved substantially marked by its scale of operations as well as profitability margins. TOI during FY24 improved by ~44% y-o-y to Rs.53.39 crore vis-à-vis Rs.37.10 crore in FY23 owing to volume growth across its

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

product portfolio. Further, operating profitability also rose to 15.03% in FY24 from 10.25% in FY23 on account of higher sales realization and economies of scale. Thereby, GCA improved to Rs.5.30 crore in FY24 (FY22: Rs. 2.04 crore).

Experience of promoters in food processing business
GMFL is promoted by Amit Goyal, Director, who has over 25-30 years of industry experience and looks after marketing and purchase operations. Narendra Goyal, Director has experience of more than 2 decades and oversees marketing and purchase operations.

Established brand name in Northern India
The company markets its products under the brand name of "GM Foods" which is an established brand in Delhi as well as Northern India. This has led to the growth in sales in Northern India over the years. Recently, the company has opened a Showroom at Khari Baoli which is known for the biggest spice market of India, with an objective to demonstrate their quality products targeting the wholesalers, retailers, resellers of Delhi or nearby states who use to perform their business activities from there.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable Criteria:
CARE Ratings' criteria on information adequacy risk and issuer non-cooperation
Policy on default recognition
Rating Outlook and Credit Watch
Financial Ratios – Non-financial Sector
Manufacturing Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

Godhan Masala Foods Limited is engaged in the business of manufacturing of semi-Blended Spice Mix, Flour mix, drink mix, Gravy Paste/Masala of Indian curries etc, healthy organic grains/curries, flour mix and sweets for more than 12 decades operating from its fully automated and vertically manufacturing unit located at Sonepat, Haryana. The company also has a Showroom at Khari Baoli which is known for the biggest spice market of India, with an objective to demonstrate their products targeting the wholesalers, retailers, resellers of Delhi or nearby states GMFPL is selling its products under its own brand named 'GM Foods'.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (Prov.)
Total operating income	37.10	53.39	31.14
PBILDT	3.80	8.03	NA
PAT	1.57	4.29	NA
Overall gearing (times)	4.58	3.37	NA
Interest coverage (times)	3.11	3.76	NA

A: Audited, Prov.: Provisional, NA: Not Available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Working Capital Limits		-	-	-	18.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	30/06/2032	11.70	CARE BB-; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Working Capital Limits	LT	18.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (24-Dec-24)	-	-
2	Term Loan-Long Term	LT	11.70	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (24-Dec-24)	-	-

*Issuer did not cooperate; based on best available information.
LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Working Capital Limits	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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