

Press Release

G. R. Krishnaiah Chetty

October 26, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 10.00 Cr.#
Long Term Rating	ACUITE B+ Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed long-term rating of '**ACUITE B+** (read as ACUITE B plus) to the Rs.10.00 crore bank facilities of G. R. Krishnaiah Chetty. This rating is now an indicative rating and is based on best available information.

Analytical Approach:

Acuité has consolidated the business and financial risk profiles of Sree Balasubramaniam & Co., Sree Bhuvaneswari & Co. and G. R. Krishnaiah Chetty together referred to as the 'GRK Group' owing to the similarities in the lines of business, common ownership and operational synergies.

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.

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/view-rating-criteria-17.htm>
- Trading Entities-<https://www.acuite.in/view-rating-criteria-6.htm>
- Consolidation of Companies- <https://www.acuite.in/view-rating-criteria-22.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 endeavoured 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:

G. R. Krishnaiah Chetty is a Chennai based proprietorship concern established in 1961 by Mr. G. K. Balaji (HUF). The firm trades in pulses (Black gram, urad dal among others)

About the Group:

The GRK Group was promoted by Mr. A. Dasaradaiah, Mr. G. K. Balaji and Mrs. G. B Lavanya. The group is engaged in the trading of pulses and dal (black gram, Bengal gram, Urad Dal etc). The promoters have been in this line of business for more than four decades. The GRK Group imports pulses and dal (Black gram, Toor dal, moong dal, Yellow dal, etc.) from Burma, Myanmar, Bangkok and Thailand. The firm also sources the same from Andhra Pradesh. The group supplies its products across India.

On consolidated basis, the GRK Group reported net profit after tax (PAT) of Rs. 1.85 crore on operating income of Rs. 195.91 crore in FY2016-17 (Provisional) compared to PAT of Rs.2.02 crore on operating income of Rs.363.68 crore in the previous year. The net worth stood at Rs.5.68 crore as on 31 March, 2017 (Provisional) compared to Rs.4.42 crore a year earlier.

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

None

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. Cr.)	Ratings/Outlook
22-Sep-2017	Cash Credit	Long term	10.00	ACUITE B+/Stable (Reaffirmed)
28-Oct-2016	Cash Credit	Long term	10.00	ACUITE B+/Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE B+ Issuer not co-operating*

*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 SMERA 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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