

Press Release

GRM Foods Private Limited

September 19, 2018

Rating Update



Total Bank Facilities Rated	Rs. 35.00 Cr. #
Long Term Rating (Indicative)	ACUITE BB Issuer not co-operating*
Short Term Rating (Indicative)	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has reviewed long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs.35.00 crore bank facilities of GRM Foods Private Limited (GFPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuite 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 Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

The Haryana based, GFPL was established in 1974 as a partnership firm. Later in 2015, the constitution was changed to private limited and is managed by Mr. Pradeep Kumar, and Mr. Neeraj Bala. The company is engaged in the business of milling and processing of basmati rice with an installed capacity of 10 tonnes per hour.

In FY2016-17 (Provisional), the company has achieved the operating income of Rs.137.97 crore with Profit After Tax (PAT) of Rs.1.48 crore as compared to the operating income of Rs.125.66 crore with PAT of Rs.1.13 crore a year earlier. The net worth stood at Rs.13.83 crore in FY2016-17(Provisional) as compared to Rs.9.68 crore a year earlier. The net worth of Rs.13.83 crore in FY2016-17 (Provisional) includes quasi equity of Rs.4.93 crore.

Any other information:

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

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

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
11-Jul-2017	PC/PCFC	Short Term	10.00	ACUITE A4+ (Assigned)
	Term Loan	Long Term	3.00	ACUITE BB/Stable (Assigned)
	Cash Credit	Long Term	22.00	ACUITE BB/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
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	22.00	ACUITE BB Issuer not co-operating*

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

Contacts

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About Acuite Ratings & Research:

Acuite 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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