G R Thanga Maligai (Firm)

April 10, 2019

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term / short term: Fund-based limits	140.00	140.00	[ICRA]A+ (Positive) / [ICRA]A1+; withdrawn
Short term: Fund based / non-fund based sub-limits	(255.00)	(255.00)	[ICRA]A1+; withdrawn
Long term: Term loans	71.88	71.88	[ICRA]A+ (Positive); withdrawn
Total	**211.88**	**211.88**	

*Instrument details are provided in Annexure-1

Rationale

The ratings assigned to the bank facilities of G R Thanga Maligai (Firm) (GRT Firm) have been withdrawn at the request of the company in accordance with ICRA's policy on withdrawal and suspension and based on the No Objection Certificate (NOC) provided by all the lenders for all the banking facilities rated by ICRA.

Outlook

Not Applicable

Key rating drivers

Not Applicable

Liquidity position

Not Applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

G R Thanga Maligai (Firm) is a partnership entity which commenced operations in 1998. The entity specialises in design and sale of *Mangal Sutra* and other kinds of customised jewellery. The company has a single showroom which it shares with another Group entity – G R Thanga Maligai (GRTM). The product profiles catered to by the entities are different. GRTM markets traditional gold ornaments and takes up manufacturing activity, whereas GRT Firm is primarily involved in sales of customised jewellery.

About the Group

GRT Group (which includes GRT Jewellers (India) Private Limited, G R Thanga Maligai (Firm), G R Thanga Maligai and Sons and GRT Silverwares), a closely held group with presence in jewellery retailing, hospitality and renewable energy sectors, has an established presence in the jewellery retail industry in South India, where it has been involved in retailing of gold and studded jewellery over the past five decades. From being an entity with presence only in Chennai, the Group has diversified geographically with expansions across southern states in the recent past. The Group currently derives around 90% of its revenues from the gold jewellery sales with the rest from sale of silver, coins and studded jewellery.

Key Financial Indicators (Audited)

Consolidated	FY2017	FY2018
Operating Income (Rs. crore)	12,297.2	14,788.9
PAT (Rs. crore)	198.9	288.5
OPBDIT/OI (%)	3.6%	3.7%
RoCE (%)	10.1%	11.2%
Total Debt/TNW (times)	3.2	3.3
Net Debt / TNW (times)	0.7	0.9
Total Debt/OPBDIT (times)	8.9	9.0
Net Debt / OPBDIT (times)	1.9	2.4
Interest Coverage (times)	2.0	2.5

Source: company

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2020) Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating April 2019	Chronology of Rating History for the Past 3 Years: Date & Rating in FY2019 December 2018	Date & Rating in FY2018 December 2017	Date & Rating in FY2017 January 2017
1	Term loans	Long term	71.88	71.88	[ICRA]A+ (Positive); withdrawn	[ICRA]A+ (Positive)	[ICRA]A+ (Positive)	[ICRA]A+ (Stable)
2	Fund based limits	Long term / short term	140.00	-	[ICRA]A+ (Positive) / [ICRA]A1+; withdrawn	[ICRA]A+ (Positive) / [ICRA]A1+	[ICRA]A+ (Positive) / [ICRA]A1+	[ICRA]A+ (Stable) / [ICRA]A1+
3	Fund based / Non fund based sub-limits	Short term	(255.00)	-	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan - 1	FY2015	NA	FY2025	18.91	[ICRA]A+ (Positive); withdrawn
NA	Term loan – 2	FY2015	NA	FY2025	17.97	[ICRA]A+ (Positive); withdrawn
NA	Term loan – 3	FY2017	NA	FY2027	35.00	[ICRA]A+ (Positive); withdrawn
NA	Cash credit / Gold Metal loan	-	-	-	140.00	[ICRA]A+ (Positive)/ [ICRA]A1+; withdrawn
NA	SBLC/Bank Guarantee (sub-limit)	-	-	-	(140.00)	[ICRA]A1+; withdrawn
NA	Working capital demand loan (sub-limit)	-	-	-	(85.00)	[ICRA]A1+; withdrawn
NA	Export credit (sub-limit)	-	-	-	(30.00)	[ICRA]A1+; withdrawn

Source: G R Thanga Maligai (Firm)

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
GRT Jewellers (India) Private Limited	100.00%	Full Consolidation
G R Thanga Maligai (Firm)	100.00%	Full Consolidation
G R Thanga Maligai and Sons	100.00%	Full Consolidation
GRT Silverwares	100.00%	Full Consolidation

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About ICRA Limited:

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