

Galada Finance Limited

September 09, 2019

Ratings

Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Fixed Deposits	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the Fixed Deposit issue of Galada Finance Limited with immediate effect, as the company has repaid the aforementioned Fixed Deposit in full and there is no amount outstanding under the issue as on date.

Analytical approach:

Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Galada Finance Limited (GFL) is predominantly engaged in the business of Hire Purchase and Leasing. GFL, based out of Chennai was incorporated as a Private Limited Company in the year 1986 and converted to a Public Limited Company in the year 1994. The company registered with RBI as a Non-Banking Finance Company in March 1998. GFL was promoted by Mr. J. Ashok Galada, a finance professional having more than 40 years of experience in Hire Purchase, Leasing, Financial Services and Management. Currently, he is an executive member of South India Hire Purchase association and Finance Companies Association.

During FY19 (refers to the period April 1 to March 31), GFL reported total income of Rs.1.27 crore and net loss of Rs.0.16 crore. During Q1FY20 (refers to the period April 1 to June 30), GFL reported total income of Rs.0.23 crore and net loss of Rs.0.01 crore.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	1.66	1.27
PAT	0.13	(0.16)
Interest coverage (times)	1.36	0.71
Total Assets	10.86	9.93
Net NPA (%)	1.27	NM
ROTA (%)	1.66	1.27

A: Audited

Status of non-cooperation with previous CRA:

Not Applicable

Any other information:

Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fixed Deposit	-	-	-	0.00	Withdrawn

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fixed Deposit	LT	-	-	1)CARE B (FD); ISSUER NOT COOPERATING* (26-Aug-19)	1)CARE BB- (FD); ISSUER NOT COOPERATING* (24-Aug-18)	1)CARE BB (FD); ISSUER NOT COOPERATING* (07-Apr-17)	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**