

Press Release

Durairaj Mills Limited

November 06, 2018

Rating Update



Total Bank Facilities Rated	Rs. 61.44 Cr. #
Long Term Rating	ACUITE D Issuer not co-operating*
Short Term Rating	ACUITE D Issuer not co-operating*

Refer Annexure for details

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

Acuite has reviewed long-term rating of '**ACUITE D**' (read as **ACUITE D**) and short term rating of '**ACUITE D**' (read as **ACUITE D**) to the Rs. 61.44 crore bank facilities of Durairaj Mills Limited (DML). 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/criteria-default.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-40.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

Durairaj Mills Limited (DML), incorporated in 1983, is a Coimbatore-based company promoted by Mr. N. Duraiswamy Naidu. The company is engaged in the manufacture of cotton hosiery and warp yarn

For FY2013-14, DML reported net loss of Rs.2.35 crore on operating income of Rs.66.03 crore. The net worth stood at Rs.5.94 crore as on 31 March, 2014, compared with Rs.6.87 crore a year earlier.

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

None

Any other information:

Acuite 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
16-Mar-2015	Term Loan	Long Term	41.44	ACUITE D (Assigned)
	Open Cash	Long Term	15.00	ACUITE D (Assigned)

	Credit			
	Letter of Credit	Short Term	5.00	ACUITE D (Assigned)
28-May-2016	Term Loan	Long Term	41.44	ACUITE D (Reaffirmed)
	Open Cash Credit	Long Term	15.00	ACUITE D (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE D (Reaffirmed)
18-Sep-2017	Term Loan	Long Term	41.44	ACUITE D (Reaffirmed)
	Open Cash Credit	Long Term	15.00	ACUITE D (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE D (Reaffirmed)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loan	Not Applicable	Not Applicable	Not Applicable	41.44	ACUITE D Issuer not co-operating*
Open Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE D 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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