

Press Release

Durgamba Motors

October 11, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 25.00 crore bank facilities of Durgamba Motors (DM). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Karnataka-based DM was established in the year 1975 by Mr. Sadananda Chatra and Mr. Krishnananda Chatra as partnership firm. The firm engaged in passenger transportation business and luggage services.

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 the due date.

Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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 endeavored 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 - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Jul 2021	Cash Credit	Long Term	2.25	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	14.68	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	8.07	ACUITE D (Issuer not co-operating*)
16 Apr 2020	Term Loan	Long Term	8.07	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	14.68	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	2.25	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	2.25	ACUITE D (Issuer not co-operating*)

08 Feb 2019	Term Loan	Long Term	8.07	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	14.68	ACUITE D (Issuer not co-operating*)
28 Dec 2017	Cash Credit	Long Term	2.25	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Term Loan	Long Term	14.68	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Term Loan	Long Term	8.07	ACUITE B+ Stable (Assigned)
14 Sep 2016	Secured Overdraft	Long Term	2.25	ACUITE B Stable (Reaffirmed)
	Term Loan	Long Term	14.68	ACUITE B Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	8.07	ACUITE B Stable (Assigned)
06 Aug 2015	Secured Overdraft	Long Term	2.25	ACUITE B Stable (Assigned)
	Term Loan	Long Term	12.75	ACUITE B Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.25	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	14.68	ACUITE D Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	8.07	ACUITE D Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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