

Press Release

Dhara Sree Ginning and Pressing Factory

March 09, 2020



Rating Update

| | |
|-------------------------------------|---------------------------------------|
| Total Bank Facilities Rated# | Rs.9.00 Cr. |
| Long Term Rating | ACUITE B- Issuer not co-operating* |

#refer Annexure for details

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

Rating Rationale

Acuité has reaffirmed the long-term rating to '**ACUITE B-**' (read as **ACUITE single B minus**) on the Rs.9.00 crore bank facilities of Dhara Sree Ginning and Pressing Factory (DSGAPF). The rating continues to be flagged as "Issuer Not-Cooperating" on account of information risk.

Dhara Sree Ginning and Pressing Factory established in 2011, is a Hyderabad-based partnership firm promoted by Mr. H. Venkartarami Reddy. The firm commenced commercial operations in ginning of cotton from July 2012 at its unit at Hyderabad. The installed capacity is 30 cotton gins. The firm caters to customers in Coimbatore (Tamil Nadu).

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 due date.

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

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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). Acuité endeavoured 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.

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

None

Any other information

Acuité 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 |
|-----------|---------------------------------|-----------|-----------------|------------------------------|
| 02-Jan-19 | Term Loan | Long Term | 4.00 | ACUITE B-/Stable (Upgraded) |
| | Cash Credit | Long Term | 5.00 | ACUITE B-/Stable (Upgraded) |
| 08-Nov-17 | Term Loan | Long Term | 4.00 | ACUITE D (Reaffirmed) |
| | Cash Credit | Long Term | 5.00 | ACUITE D (Reaffirmed) |
| 02-Aug-16 | Term Loan | Long Term | 4.00 | ACUITE D (Downgraded) |
| | Cash Credit | Long Term | 5.00 | ACUITE D (Downgraded) |
| 05-Oct-15 | Term Loan | Long Term | 4.00 | ACUITE B+/ Stable (Assigned) |
| | Cash Credit | Long Term | 5.00 | ACUITE B+/ 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/Outlook |
|------------------------|------------------|----------------|----------------|-------------------------------|---------------------------------------|
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE B- Issuer not co-operating* |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 4.00 | ACUITE B- 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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