



Press Release
Ponmurugan Dhall Mills
December 13, 2024
Rating Downgraded, Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|--|---|
| Bank Loan Ratings | 9.90 | ACUITE B Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 0.03 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 9.93 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

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

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE B**’ (read as **ACUITE Bf**) from ‘**ACUITE B+**’ (read as **ACUITE B plus**) and reaffirmed the short-term rating of ‘**ACUITE A4**’ (read as **ACUITE A four**) on the Rs. 9.93 Cr bank facilities of Ponmurugan Dhall Mills (PDM) on account of information risk. The rating continues to be flagged as “Issuer Not-Cooperating” and is based on the best available information.

About the Company

Ponmurugan Dhall Mills (PDM), established in 1960 by Mr. M. Vanniyarajan, is engaged in the processing of wheat flour, broken wheat, gram flour among others. The firm, closely held by Mr. V. Chandrasekaran and his brothers Mr V. Senthil Kumar and Mr V.V. Balasubramaniam (sons of Mr. M. Vanniyarajan), also trades in pulses. The manufacturing facility is located at Coimbatore (Tamil Nadu) and has installed capacity of 4 tons per day.

Unsupported Rating

Not Applicable

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 the due date. Acuite 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.

This rating is, therefore, being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuite’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 ratings are based.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 16 (Actual) | FY 15 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 148.09 | 128.07 |
| PAT | Rs. Cr. | 1.46 | 1.11 |
| PAT Margin | (%) | 0.98 | 0.86 |
| Total Debt/Tangible Net Worth | Times | 1.48 | 1.29 |
| PBDIT/Interest | Times | 1.99 | 2.04 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|---|
| 15 Sep 2023 | Proposed Bank Guarantee | Short Term | 0.03 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Cash Credit | Long Term | 9.90 | ACUITE B+ (Reaffirmed & Issuer not co-operating*) |
| 21 Jun 2022 | Proposed Bank Guarantee | Short Term | 0.03 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Cash Credit | Long Term | 9.90 | ACUITE B+ (Reaffirmed & Issuer not co-operating*) |
| 23 Mar 2021 | Proposed Bank Guarantee | Short Term | 0.03 | ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+) |
| | Cash Credit | Long Term | 9.90 | ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-) |

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

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating |
|---------------------|----------------------|-------------------------|----------------------|----------------------|----------------------|-------------------|------------------|---|
| State Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 9.90 | Simple | ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+) |
| Not Applicable | Not avl. / Not appl. | Proposed Bank Guarantee | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 0.03 | Simple | ACUITE A4 Reaffirmed Issuer not co-operating* |

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

Contacts

| | |
|---|---|
| Mohit Jain Senior Vice President-Rating Operations | Contact details exclusively for investors and lenders |
| Abhishek Singh Analyst-Rating Operations | Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in |

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.