

Press Release

Divi Enterprises

04 May, 2018



Rating Update

Total Bank Facilities Rated#	Rs.18.00 Cr
Long Term Rating (Indicative)	SMERA BB- Issuer not co-operating*
Short Term Rating (Indicative)	SMERA A4 Issuer not co-operating*

#Refer Annexure for details

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

SMERA has reviewed long term rating of '**SMERA BB-' (read as SMERA double B minus)** and short term rating of '**SMERA A4' (read as SMERA A four)** on the Rs.18.00 crore bank facilities of Divi Enterprises (DE). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

SMERA 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 SMERA's policies.

Applicable Criteria

- Trading entities: <https://www.smera.in/criteria-trading.htm>
- Default Recognition: <https://www.smera.in/criteria-default.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). SMERA endeavored to gather information about the entity/industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

DE, established in 2009, is a Hyderabad-based proprietorship concern promoted by Mr. Chandiri Gopal Reddy. The concern is engaged in trading of poultry feed supplements and additives.

For FY2016-17, DE reported profit after tax (PAT) of Rs 0.82 crore on operating income of Rs.72.02 crore for as compared to profit after tax (PAT) of Rs.0.85 crore on operating income of Rs.60.84 crore for FY2015-16. DE's net worth stood at Rs.11.98 crore as on March 31, 2017 as compared with Rs. 11.41 crore as on March 31, 2016.

Any other information:

SMERA is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (for the last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
10 Apr 2017	Cash Credit	Long term	3.00	SMERA BB-/Stable (Assigned)
	Working Capital Demand Loan (WC DL)	Long term	12.00	SMERA BB-/Stable (Assigned)
	Letter of Credit	Short term	3.00	SMERA A4 (Assigned)

#Annexure – Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.00	SMERA BB-Issuer not co-operating*
Working Capital Demand Loan (WC DL)	Not Applicable	Not Applicable	Not Applicable	12.00	SMERA BB-Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	SMERA A4 Issuer not co-operating*

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

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ABOUT SMERA

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