

Press Release

Vinoth Distributors

January 07, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	15.00	ACUITE C Downgraded Issuer not co-operating*	
Total	15.00	-	-

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE C**' (read as **ACUITE 'C'**) from '**ACUITE B+**' (read as **ACUITE B 'plus'**) on the Rs.15.00 crore bank facilities of Vinoth Distributors. The rating is flagged as "Issuer Not-Cooperating" and is based on the best available information.

Rationale for revision of ratings

The revision of ratings takes into account the instances of delays in servicing of bank obligations of cash credit account availed by the entity and classification of account as SMA-0. Further, the term loan account (not rated by Acuité) is classified as SMA-1 category as per the feedback from the lender.

About the Company

Vinoth Distributors is a Chennai-based partnership firm established in 2008. The firm is engaged in the trading of basmati rice and is also a distributor of Kohinoor and India Gate brands of basmati rice. The day-to-day operations are led by Mr. D Vinoth. The firm procures basmati rice from reputed companies in the north and sells to hotels in 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 the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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 has 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.

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

Not Applicable

Any other information

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

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Aug 2021	Proposed Bank Facility	Long Term	3.00	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE B+ (Issuer not co-operating*)
11 Jun 2020	Proposed Bank Facility	Long Term	3.00	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE B+ (Issuer not co-operating*)
22 Mar 2019	Cash Credit	Long Term	12.00	ACUITE B+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	3.00	ACUITE B+ (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
DBS Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE C Downgraded Issuer not co-operating* (from ACUITE B+)
DBS Bank Ltd	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE C Downgraded Issuer not co-operating* (from ACUITE B+)

*DBS Bank (e-Lakshmi Vilas Bank)

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Shivam Agarwal Analyst-Rating Operations Tel: 022-49294065 shivam.agarwal@acuite.in	

About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 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. Acuité ratings 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. Acuité ratings 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.