

Press Release

DRA Industries Limited

December 04, 2020



Rating Downgraded

Total Bank Facilities Rated*	Rs.75.00 Cr. #
Long Term Rating	ACUITE D (Downgraded from ACUITE BBB-/ Negative) Issuer not co-operating*
Short Term Rating	ACUITE D (Downgraded from ACUITE A3) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE D** (read as ACUITE D) from '**ACUITE BBB-**' (read as ACUITE triple B minus) and the short-term rating to '**ACUITE D** (read as ACUITE D) from '**ACUITE A3**' (read as ACUITE A three) on the Rs.75.00 Crore bank facilities of DRA Industries Limited (DRAI). This rating is now an indicative rating and is based on the best available information.

The downgrade is in view of persistent delays in servicing the debt obligation.

DRA Industries Limited (DRAI) is a Chennai (Tamil Nadu) based company, incorporated in 2008. The company is promoted by Mr. Deepak Kumar Bhatia and is engaged in the manufacturing of steel billets and TMT bars. The installed production capacity is 96,000 tonnes per annum for steel billets and the manufacturing of TMT bars is outsourced. The products are sold under the brand name 'DRA' and 'Shakti'.

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-53.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 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.

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

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
27-Sep-2019	Cash Credit	Long Term	30.00	ACUITE BBB-/ Negative (Reaffirmed)
	Term Loan	Long Term	2.75	ACUITE BBB- (Withdrawn)
	Letter of Credit	Short Term	45.00	ACUITE A3 (Reaffirmed)
17-Oct-2018	Cash Credit	Long Term	30.00	ACUITE BBB-/ Negative (Reaffirmed)
	Term Loan	Long Term	2.75	ACUITE BBB-/ Negative (Reaffirmed)
	Letter of Credit	Short Term	45.00	ACUITE A3 (Reaffirmed)
	Proposed Term Loan	Long Term	24.00	ACUITE BBB-/ Negative (Assigned)
	Proposed Bank Facility	Long Term	23.25	ACUITE BBB-/ Negative (Reaffirmed)
14-May-2018	Cash Credit	Long Term	30.00	ACUITE BBB-/ Stable (Reaffirmed)
	Term Loan	Long Term	3.63	ACUITE BBB-/ Stable (Assigned)
	Letter of Credit	Short Term	45.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Long Term	0.37	ACUITE BBB-/ Stable (Assigned)
02-May-2018	Cash Credit	Long Term	25.00	ACUITE BBB-/ Stable (Assigned)
	Letter of Credit	Short Term	4.00	ACUITE A3 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE D (Downgraded) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE D (Downgraded) Issuer not co-operating*

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

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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 8,425 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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