

Press Release

DRA Industries Limited

March 02, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE D Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	45.00	-	ACUITE D Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	75.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE D**' (**read as ACUITE D**) and the short term rating of '**ACUITE D**' (**read as ACUITE D**) on the Rs. 75.00 crore bank facilities of DRA Industries Limited (DRAI). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

About the Company

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.

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.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

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

- 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

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Dec 2020	Letter of Credit	Short Term	45.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	30.00	ACUITE D (Downgraded and Issuer not co-operating*)
27 Sep 2019	Letter of Credit	Short Term	45.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	2.75	ACUITE BBB- (Withdrawn)
	Cash Credit	Long Term	30.00	ACUITE BBB- Negative (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB- Negative (Reaffirmed)
	Proposed Bank Facility	Long Term	23.25	ACUITE BBB- Negative (Reaffirmed)

17 Oct 2018	Proposed Term Loan	Long Term	24.00	ACUITE BBB- Negative (Assigned)
	Letter of Credit	Short Term	45.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	2.75	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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Indian Overseas Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE D Reaffirmed Issuer not co-operating*
Indian Overseas Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE D Reaffirmed Issuer not co-operating*

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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 8,850 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.

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