

Press Release

Dhanalakshmi Hi-Tech Modern Rice Mill

May 28, 2021

Rating Update



Total Bank Facilities Rated	Rs. 7.30 crore #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité has reviewed and downgraded the long-term rating to '**ACUITE B+ (read as ACUITE B plus)**' from '**ACUITE BB- (read as ACUITE double B minus)**' on the Rs.7.30 crore bank facilities of Dhanalakshmi Hi-Tech Modern Rice Mills. The rating downgrade is on account of information risk. This rating is now an indicative rating and is based on the best available information.

Tamil Nadu based Dhanalakshmi Hi-Tech Modern Rice Mill (DHMRM) was established in 1984 by two brothers and their spouses as a partnership firm. DHMRM is engaged in processing of paddy into rice. It deals in the boiled rice category of rice. It sells under the brand name of Singam and Karnataka Raja Bhogam. The firm operates on a capacity of 30MT per day.

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 due date.

Acuité 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 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>

Note on complexity levels of the rated instrument

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

Liquidity Position

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

Rating Sensitivities

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

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

None

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
13-Mar-2020	Cash Credit	Long Term	4.00	ACUITE BB-/ Stable (Reaffirmed)
	Term Loan	Long Term	1.30	ACUITE BB-/ Stable (Reaffirmed)
	Proposed Bank Facilities	Long Term	2.00	ACUITE BB-/ Stable (Reaffirmed)
14-Oct-2019	Cash Credit	Long Term	4.00	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long Term	1.30	ACUITE BB-/ Stable (Assigned)
	Cash Credit	Long Term	2.00	ACUITE BB-/ Stable (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	4.00	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.30	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*
Proposed Bank Facilities	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*

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

Contacts

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About Acuite Ratings & Research:

Acuite 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 6,000 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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