

Press Release

A Duraisamy Modern Rice Mill

July 02, 2020



Rating Update

| Total Bank Facilities Rated* | Rs. 16.00 Cr. # |
|------------------------------|---|
| Long Term Rating | ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable) |

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 B+**' (read as **ACUITE B plus**) from '**ACUITE BB-/Stable**' on the Rs.16.00 crore bank facilities of A DURAISAMY MODERN RICE MILL (ADRM). This rating is now an indicative rating and is downgraded on account of information risk.

ADRM, established in 1985, is promoted by Mr. D. Udaykumar along with other partners. The firm is engaged in the processing of paddy into rice and is located in Salem city (Tamil Nadu).

About the Group

Udaykumar Modern Rice Mill, incorporated in 1985, is engaged in the milling and processing of paddy into rice. The plant is located in Salem (Tamil Nadu) spread across two and half acres of land. The firm has an installed capacity of 50 MT per day of paddy which is utilised at about 85 percent. The firm also owns a windmill of 250 KW and is located at Munduvelanpatti in Dharapuram Taluk.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Sector Entities - <https://www.acuite.in/view-rating-criteria-59.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.

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 |
|-------------|---------------------------------|-----------|-----------------|-----------------------------|
| May-03-2019 | Cash Credit | Long Term | 15.00 | ACUITE BB-/Stable Assigned) |
| | Term Loan I | Long Term | 1.00 | 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/Outlook |
|------------------------|------------------|----------------|----------------|-----------------------------|---|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable) |
| Term Loan | Not Available | Not Applicable | Not Available | 1.00 | ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable) |

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

Contacts

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|---|--|
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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 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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