

February 13, 2024

Erode District Co Operative Milk Producers Union Limited : Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based -Cash Credit	30.00	30.00	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING *; Rating continues to remain under 'Issuer Not Cooperating' category
Total	30.00	30.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term rating for the Bank facilities of Erode District Co Operative Milk Producers Union Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Erode District Co Operative Milk Producers Union Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicators : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Erode District Cooperative Milk Producers Union Ltd, established as cooperative society in 1975 is involved in processing and manufacturing of milk and its byproducts. The Union sells products such as Milks, curds, milk powder, ghee, butter, ice cream, sweets, among others under the brand name "Aavin" predominantly in Tamil Nadu. It has a milk processing capacity of 3 lakhs liters per day, butter production capacity of 18T/day, ghee production capacity of 7.4 TL/day, skimmed milk powder processing capacity of 4 LLPD/day, SMP consumer pack capacity of 2100 pockets/hour and butter packaging capacity of 9 ton per day.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY 2023		Date & Rating in FY 2022	Date & Rating in FY 2021
						Feb 13, 2024	Dec 27, 2022	Oct 07, 2022	Sep 20, 2021
1.	Fund Based - Cash Credit	Long Term	30.00	-	[ICRA]B+ (Stable) ; ISSUER NOT COOPERATING	[ICRA]B+ (Stable) ; ISSUER NOT COOPERATING	[ICRA]BB (Stable) ;ISSUER NOT COOPERATING	[ICRA]BB (Stable)	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term-Fund Based -Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Fund Based -Cash Credit	-	-	-	30.00	[ICRA]B+(Stable) ; ISSUER NOT COOPERATING

Source: Erode District Co Operative Milk Producers Union Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Branches



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