

March 14, 2024

Villupuram 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	20.00	20.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	20.00	20.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the long-term rating of Villupuram 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 Villupuram 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

Villupuram District Cooperative Milk Producers Union Ltd, established as cooperative society in 1982 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 1 lakh litres per day, ghee production capacity of 2 MT/day with chilling capacity of 1.5 lakh litres at Villupuram and 1 lakh liters at China Salem.

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 FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				14-March-2024			
2 Fund Based-Cash Credit	Long Term	20.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable)	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
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	Fund Based-Cash Credit	NA	NA	NA	20.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Villupuram District Co-Operative Milk Producers Union Limited

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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.

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