

November 19, 2019

R.S. Melgiri & Co.: Ratings continue to remain in ‘Issuer Not Cooperating’ category, Ratings downgraded based on best available information

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	4.75	4.75	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) ; Rating continues to remain under ‘Issuer Not Cooperating’ category
Long Term - Unallocated	10.25	10.25	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) ; Rating continues to remain under ‘Issuer Not Cooperating’ category
Total	15.00	15.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding R.S. Melgiri & Co.’s performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by the rated entity”. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with R.S. Melgiri & Co., ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with SEBI’s Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA’s Rating Committee has taken a rating view based on the best available information

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company:

Incorporated in 1941, the Byadgi, Karnataka based, RSMC trades chilli, chilli seeds and produces chilli powder. The firm is one of the oldest and reputed chilli traders in Haveri District. The firm is based out of Byadgi which is famous of long and bright red chilli and is one of the highest chilli growing regions in India.

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					19-Nov-19	27-Aug-18	16-Jan-18	23-Feb-17
1	Cash Credit	Long Term	4.75	-	[ICRA]B+ (Stable) ; ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)
2	Unallocated	Long Term	10.25	-	[ICRA]B+ (Stable) ; ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	4.75	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	10.25	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: R.S. Melgiri & Co.

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About ICRA Limited:

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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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