

Press Release

Arnothaya Mills

July 16, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 39.88 Cr. #
Long Term Rating	ACUITE BB+ Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

refer annexure for details

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

Acuité has reviewed long-term rating of '**ACUITE BB+** (read as ACUITE double B plus) and short term rating of '**ACUITE A4+** (read as ACUITE A four plus) to the Rs.39.88 crore bank facilities of Arnothaya Mills (AM). This rating is now an indicative rating and is based on best available information.

Arnothaya Mills (AM) established in 1992 is a Coimbatore based partnership firm engaged in the manufacturing of grey cloth. The firm is led by Muthukumaraswamy, partner who has more than three decades of experience in the textile industry. The firm procures yarn from local market and sells the manufactured grey fabric in the markets of Tirrupur, Jaipur, and Ahmedabad among others.

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.

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/criteria-default.htm>
- Entities in Manufacturing sector- <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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)

None

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
08-May-2018	Cash Credit	Long Term	26.00	ACUITE BB+/Stable (Reaffirmed)
	Term Loan	Long Term	2.88	ACUITE BB+/Stable (Reaffirmed)
	Term Loan*	Long Term	11.00	ACUITE BB+/Stable (Assigned)
	Letter of Credit*	Short Term	(10.13)	ACUITE A4+ (Assigned)
16-Mar-2017	Cash Credit	Long Term	20.00	ACUITE BB+/Stable (Upgraded)
	Term Loan	Long Term	4.11	ACUITE BB+/Stable (Upgraded)
	Bank Guarantee	Short Term	0.07	ACUITE A4+ (Reaffirmed)
15-Feb-2017	Cash Credit	Long Term	16.00	ACUITE BB (Indicative)
	Term Loan	Long Term	6.82	ACUITE BB (Indicative)
	Proposed Cash Credit	Long Term	1.29	ACUITE BB (Indicative)
	Bank Guarantee	Short Term	0.07	ACUITE A4+ (Indicative)

#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	26.00	ACUITE BB+ Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.88	ACUITE BB+ Issuer not co-operating*
Term Loan*	Not Applicable	Not Applicable	Not Applicable	11.00	ACUITE BB+ Issuer not co-operating*
Letter of Credit*	Not Applicable	Not Applicable	Not Applicable	*(10.13)	ACUITE A4+ Issuer not co-operating*

*FLC sublimit of Term Loan (Rs.10.13 crore approx.)

Contacts

Analytical	Rating Desk
Srihari Adari Head - Corporate and Infrastructure Sector Ratings Tel: 040-40042327 srihari.adari@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Bhavani Sankar Oruganti Senior Analyst - Rating Operations Tel: 040-40055480 bhavanisankar.oruganti@acuiteratings.in	

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.