

## Press Release

Arasu Autos - Thanjavur

July 20, 2022



### Rating Reaffirmed and Issuer not co-operating

| Product                            | Quantum (Rs. Cr) | Long Term Rating                                  | Short Term Rating                                 |
|------------------------------------|------------------|---------------------------------------------------|---------------------------------------------------|
| Bank Loan Ratings                  | 0.75             | -                                                 | ACUITE A4   Reaffirmed   Issuer not co-operating* |
| Bank Loan Ratings                  | 7.00             | ACUITE B+   Reaffirmed   Issuer not co-operating* | -                                                 |
| Total Outstanding Quantum (Rs. Cr) | 7.75             | -                                                 | -                                                 |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00             | -                                                 | -                                                 |

### Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 7.75 crore bank facilities of ARASU AUTOS THANJAVUR (AAT). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

### About the Company

Arasu Auto (Thanjavur) was established in the year 1990 and is engaged in 2W dealership of Bajaj Auto in Thanjavur under the brand name Arasu Bajaj. The operations of the firm are managed by Mr. R.Thirunavukkarasu, Managing Partner who has over two decades of experience in this line of business. Arasu Auto (Thanjavur) has around 15 branches for two wheelers across Thanjavur and is the sole dealer for Bajaj Auto Limited in this region.

### Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

### 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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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.

### Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

### Material Covenants

Not Applicable

### Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

### Outlook

Not Applicable

### Other Factors affecting Rating

Not Applicable

### Status of non-cooperation with previous CRA

None

### Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

### Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

### Rating History

| Date        | Name of Instruments/Facilities | Term       | Amount (Rs. Cr) | Rating/Outlook                       |
|-------------|--------------------------------|------------|-----------------|--------------------------------------|
| 21 Apr 2021 | Cash Credit                    | Long Term  | 7.00            | ACUITE B+ (Issuer not co-operating*) |
|             | Bank Guarantee                 | Short Term | 0.75            | ACUITE A4 (Issuer not co-operating*) |
| 23 Jan 2020 | Cash Credit                    | Long Term  | 7.00            | ACUITE B+ (Issuer not co-operating*) |
|             | Bank Guarantee                 | Short Term | 0.75            | ACUITE A4 (Issuer not co-operating*) |
| 15 Nov 2018 | Cash Credit                    | Long Term  | 7.00            | ACUITE B+   Stable (Reaffirmed)      |
|             | Bank Guarantee                 | Short Term | 0.75            | ACUITE A4 (Reaffirmed)               |
| 18 Sep 2017 | Cash Credit                    | Long Term  | 7.00            | ACUITE B+   Stable (Reaffirmed)      |
|             | Bank Guarantee                 | Short Term | 0.75            | ACUITE A4 (Reaffirmed)               |
| 21 Jun 2016 | Cash Credit                    | Long Term  | 7.00            | ACUITE B+   Stable (Assigned)        |
|             | Bank Guarantee                 | Short Term | 0.75            | ACUITE A4 (Assigned)                 |

## Annexure - Details of instruments rated

| Lender's Name                    | ISIN           | Facilities                         | Date Of Issuance | Coupon Rate    | Maturity Date  | Quantum (Rs. Cr.) | Rating                                                     |
|----------------------------------|----------------|------------------------------------|------------------|----------------|----------------|-------------------|------------------------------------------------------------|
| Tamilnad Mercantile Bank Limited | Not Applicable | Bank Guarantee/Letter of Guarantee | Not Applicable   | Not Applicable | Not Applicable | 0.75              | ACUITE A4<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Tamilnad Mercantile Bank Limited | Not Applicable | Cash Credit                        | Not Applicable   | Not Applicable | Not Applicable | 7.00              | ACUITE B+<br> <br>Reaffirmed<br>  Issuer not co-operating* |

## Contacts

| Analytical                                                                                                                                                                                                                                                                                                    | Rating Desk                                                                                                                              |
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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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