



Press Release

Arunachala Gounder Textile Mills Private Limited

May 31, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	102.06	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	13.10	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	115.16	-	-

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs.115.16 Cr. bank facilities of Arunachala Gounder Textile Mills Private Limited (AGTML).

This rating is now flagged as issuer not cooperating on account of information risk and is based on best available information.

The rating has been downgraded on account of information risk

About the Company

Incorporated in the year 1995, AGTML is engaged primarily in the manufacturing of viscose yarn. The company is based in Pallipalayam, Tamil Nadu. The company currently has 45,792 spindles and 7,680 drums (192). Further it has wind mill which has capacity to generate 11.90 MW power used for captive purpose. The directors of the company - Mr. Ramesh Natarajan and Mr. Prabhuram Natarajan have more than two decades of experience in the textile industry. AGTML got merged with P N Tex India Private Limited in FY2018 to take the operational and pricing advantage with its customers and suppliers.

Unsupported Rating

Not applicable

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 the due date. Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité'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). Acuité has 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.

Rating Sensitivities

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

Liquidity Position

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

Outlook: Not applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	243.00	237.75
PAT	Rs. Cr.	1.20	6.32
PAT Margin	(%)	0.49	2.66
Total Debt/Tangible Net Worth	Times	2.12	1.58
PBDIT/Interest	Times	1.64	3.10

Status of non-cooperation with previous CRA

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Mar 2023	Bank Guarantee/Letter of Guarantee	Short Term	0.60	ACUITE A3+ (Reaffirmed)
	Buyers Credit	Long Term	12.87	ACUITE BBB Stable (Assigned)
	Buyers Credit	Long Term	12.97	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.70	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	17.00	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	12.50	ACUITE A3+ (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.77	ACUITE BBB Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.33	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	8.06	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.39	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	0.61	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	5.08	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.59	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	4.50	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.93	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.14	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.12	ACUITE BBB Stable (Reaffirmed)
13 Feb	Bank Guarantee/Letter of Guarantee	Short Term	0.60	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	17.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.70	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	12.50	ACUITE A3+ (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.33	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.61	ACUITE BBB Stable (Reaffirmed)
		Long		ACUITE BBB Stable

2023	Term Loan	Term	5.08	(Reaffirmed)
	Term Loan	Long Term	1.59	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	4.50	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	8.06	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.93	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.14	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.12	ACUITE BBB Stable (Reaffirmed)
02 Dec 2021	Bank Guarantee/Letter of Guarantee	Short Term	0.60	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	42.00	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	12.50	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	9.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.45	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.01	ACUITE BBB (Withdrawn)
	Term Loan	Long Term	0.01	ACUITE BBB (Withdrawn)
	Term Loan	Long Term	0.01	ACUITE BBB (Withdrawn)
	Term Loan	Long Term	0.01	ACUITE BBB (Withdrawn)
	Term Loan	Long Term	0.01	ACUITE BBB (Withdrawn)
	Term Loan	Long Term	1.19	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	10.16	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	0.24	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.26	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.22	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.65	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.89	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	0.60	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	42.00	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	12.50	ACUITE A3+ (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.14	ACUITE BBB Stable (Reaffirmed)

08 Nov 2021	Term Loan	Long Term	0.01	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.24	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.26	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.01	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.01	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.01	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.22	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.65	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.89	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.01	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.45	ACUITE BBB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	9.00	ACUITE BBB Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Tamilnad Mercantile Bank Limited	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.60	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Tamil Nadu Mercantile Bank	Not avl. / Not appl.	Buyers Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.87	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Axis Bank	Not avl. / Not appl.	Buyers Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.97	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Federal Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	25.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Tamilnad Mercantile Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	17.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.70	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Tamil Nadu Mercantile Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.50	ACUITE A4+ Downgraded Issuer not co-

Bank	appl.							operating* (from ACUITE A3+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.33	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.77	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Tamil Nadu Mercantile Bank	Not avl. / Not appl.	Term Loan	26 Mar 2021	Not avl. / Not appl.	26 Mar 2026	Simple	8.06	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.39	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.61	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.08	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.59	ACUITE BB+ Downgraded Issuer not co-operating* (

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Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	BBB ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB)
Tamil Nadu Mercantile Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.12	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB)
Tamil Nadu Mercantile Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.50	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB)
Tamilnad Mercantile Bank Limited	Not avl. / Not appl.	Term Loan	07 Jan 2019	Not avl. / Not appl.	07 Apr 2026	Simple	0.93	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB)
Tamil Nadu Mercantile Bank	Not avl. / Not appl.	Term Loan	29 Dec 2018	Not avl. / Not appl.	30 Mar 2026	Simple	1.14	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB)

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