

Press Release

Arunesh Saw Mills

January 07, 2020



Rating Update

Total Bank Facilities Rated*	Rs.8.00 Cr. #
Long Term Rating	ACUITE B- (Downgraded from ACUITE B/Stable) 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 downgraded the long-term rating to '**ACUITE B-**' (**read as ACUITE B minus**) from '**ACUITE B**' (**read as ACUITE B**) and reviewed the short-term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs.8.00 crore bank facilities of ARUNESH SAW MILLS. This rating is now an indicative rating and is based on best available information.

ASM was established as a Partnership firm in 2000 by Mr. Alagaraja and his family as partners. The firm's saw mill is located at Tenkasi (Tamil Nadu) with an installed capacity of 100 cubic meters/ per day. The firm is engaged in the import of round timber logs and processing them into various commercial sizes as per the requirement of its customers.

About the Group

Ananda Saw Mills was originally established in 1982 as a partnership firm by Mr. Alagaraja along with other partners. However, the firm was closed in 2016 and a new firm was opened in January 2017 under the same name. The partners comprising of Mr. Alagaraja and his family including Mrs. A. Padma, Mr. Dhivyaneswaran and Mrs. Priyadarshini. The firm's saw mill is located at Tenkasi (Tamil Nadu) with an installed capacity of 100 cubic meters/ per day. The firm is engaged in the import of round timber logs which are subsequently sown and sized at its saw mill into various commercial sizes as per the requirement of its customers.

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. Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities in Manufacturing sector- <https://www.acuite.in/view-rating-criteria-59.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
17-Oct-2018	Cash Credit	Long Term	1.50	ACUITE B/Stable (Assigned)
	Proposed Cash Credit	Long Term	0.50	ACUITE B/Stable (Assigned)
	Letter of Credit	Short Term	6.00*	ACUITE A4 (Assigned)

*OCC Rs.0.50 Crore and FCDL Rs.2.00 Crore are the sublimit of FLC/ILC

#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	1.50	ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE B- (Downgraded from ACUITE B) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	6.00*	ACUITE A4 Issuer not co-operating*

*OCC Rs.0.50 Crore and FCDL Rs.2.00 Crore are the sublimit of FLC/ILC

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

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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.

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