Press Release

Aarnav Industries Private limited

July 28, 2020

Rating Update

Total Bank Facilities Rated*	Rs. 66.06 Cr. #
Long Term Rating	ACUITE BBB (Issuer not co-operating*)
Short Term Rating	ACUITE A3+ (Issuer not co-operating*)

 # Refer Annexure for details
** The issuer did not co-operate; based on best available information.*

Acuité has reviewed the long-term rating of **'ACUITE BBB' (read as ACUITE triple B)** and short term rating of **'ACUITE A3+' (read as ACUITE three plus)** on the Rs. 66.06 crore bank facilities of Aarnav Industries Private Limited (AIPL). This rating is now an indicative rating and is based on the best available information.

AIPL, based at Ahmedabad (Gujarat), was incorporated in 2005. The company is engaged in processing of textile including designing, printing and processing of grey cloth which finds application in suits and bedsheets. Apart from carrying out the processing of its own cloth, AIPL also undertakes job work for its clients. The company is promoted by Mr. Champalal Gopiram Agarwal and Mr. Sumit Champalal Agarwal. The installed capacity stands at 475 lakhs meter per annum.

Analytical Approach

Acuité has considered the consolidated business and financial risk profiles of Gopi Synthetics Private Limited, Alpine Spinweave Private Limited and Aarnav Industries Private Limited together referred to as the 'Aarnav Group (AG)'. The consolidation is due to the common promoters, significant operational and financial synergies within the group. Extent of consolidation: Full.

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.

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
- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
- Trading Entities: https://www.acuite.in/view-rating-criteria-61.htm
- Consolidation of Companies: https://www.acuite.in/view-rating-criteria-60.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

	Unit	FY20 (Provisional)	FY19 (Actual)
Operating Income	Rs. Cr.	924.98	912.44
PAT	Rs. Cr.	12.84	10.26
PAT Margin	(%)	1.39	1.12
Total Debt/Tangible Net Worth	Times	1.04	1.00
PBDIT/Interest	Times	2.00	2.11

Status of non-cooperation with previous CRA (if applicable)
None

Any other information
Acuité had received request for withdrawal of ratings from rated entity, however, rated entity is yet to complete withdrawal formalities in accordance with Acuité's policy on withdrawal of rating.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
06-May-2019	Cash Credit	Long Term	34.00	ACUITE BBB/Stable (Assigned)
	Cash Credit	Long Term	9.00	ACUITE BBB/Stable (Assigned)
	Term Loan	Long Term	3.53	ACUITE BBB/Stable (Assigned)
	Term Loan	Long Term	8.53	ACUITE BBB/Stable (Assigned)
	Bank Guarantee	Short Term	1.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	4.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	6.00	ACUITE A3+ (Assigned)

#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	34.00	ACUITE BBB (Issuer not co-operating*)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE BBB (Issuer not co-operating*)
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.53	ACUITE BBB (Issuer not co-operating*)
Term Loan	Not Applicable	Not Applicable	Not Applicable	8.53	ACUITE BBB (Issuer not co-operating*)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A3+ (Issuer not co-operating*)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A3+ (Issuer not co-operating*)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE A3+ (Issuer not co-operating*)

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research 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.