

Press Release

Aaiswarya Dyeing Mills Private Limited

July 21, 2021



Rating Update

| | |
|------------------------------------|--|
| Total Bank Facilities Rated | Rs. 60.00 crore # |
| Long Term Rating | ACUITE BB+ (Downgraded from ACUITE BBB+/Stable) Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating* |

Refer Annexure for details

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

Rating Rationale

Acuité has reviewed and downgraded the long-term rating of '**ACUITE BBB+ (read as ACUITE triple B plus)**' to '**ACUITE BB+ (read as ACUITE double B plus)**' and short term rating of '**ACUITE A2 (read as ACUITE A two) to ACUITE A4+ (read as ACUITE A four plus)**' on the Rs.60.00 crore bank facilities of Aaiswarya Dyeing Mills Private Limited. This rating is now an indicative rating and is based on the best available information.

Gujarat based, Aaiswarya Dyeing Mills Private Limited (ADMPL) was incorporated in 1993. The company is promoted by Mr. Rameshchandra Modi (Managing Director). The company is engaged in dyeing and printing of fabrics on job work basis used for making dress materials, sarees and shirts. The company has its manufacturing unit at Surat with an installed capacity of 8, 54,000 meters per day.

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>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

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

Liquidity Position

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

Rating Sensitivities

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

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)

ICRA, vide its press release dated Dec 18, 2018 had denoted the rating of Aaiswarya Dyeing Mills Private Limited as 'ICRA BBB+/Stable/ICRA A2; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings.

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 |
|-------------|---------------------------------|------------|-----------------|---------------------------------|
| 04-May-2020 | Cash Credit | Long Term | 40.00* | ACUITE BBB+ / Stable (Assigned) |
| | Term loans | Long Term | 15.90 | ACUITE BBB+ / Stable (Assigned) |
| | Letter of credit | Short Term | 4.00 | ACUITE A2 (Assigned) |
| | Bank guarantee | Short Term | 0.10 | ACUITE A2 (Assigned) |

*Sub Limit: Letter of Credit Rs.40.00 cr. and WCDL of Rs.20.00 Cr.

#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 Available | Not Applicable | Not Available | 40.00** | ACUITE BB+ (Downgraded from ACUITE BBB+/Stable) Issuer not co-operating* |
| Term loans | FEB -2017 | Not Available | Jan-2022 | 15.90 | ACUITE BB+ (Downgraded from ACUITE BBB+/Stable) Issuer not co-operating* |
| Letter of credit | Not Applicable | Not Applicable | Not Applicable | 4.00 | ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating* |
| Bank guarantee | Not Applicable | Not Applicable | Not Applicable | 0.10 | ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating* |

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

**Sub Limit: Letter of Credit Rs.40.00 cr. and WCDL of Rs.20.00 Cr.

Contacts

| Analytical | Rating Desk |
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| Aditya Gupta Vice President- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in | Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in |
| Harjas Kaur Manny Analyst - Rating Operations Tel: 022-49294055 harijaskaur.manny@acuite.in | |

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.

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