



RATING RATIONALE

17 Feb 2023

Arnold Holdings Ltd

Brickwork Ratings revises the ratings for the Bank Loan facilities of of Rs 100 Crs of Arnold Holdings Ltd. based on best available information, as the issuer did not cooperate

Particulars:

Facilities **	Amount Rated (Rs. Cr)		Tenure	Rating*	
	Previous	Present		Previous (1 Feb 2022)	Present
Bank Loans (Proposed Fund based working capital limits)	100	100	Long Term	BWR BB-/Stable Downgrade/Issuer Not Cooperating#	BWR B+/ Stable continues to be in ISSUER NOT COOPERATING# category/ Downgraded
Total	100	100	INR One Hundred Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

**Details of bank loan facilities are placed in Annexure I

Issuer did not cooperate, based on best available information

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

Brickwork Ratings (BWR) downgrades the rating of the Bank Loan facilities (proposed fund based) of Arnold Holdings Ltd. as tabulated above, based on best available information as the issuer did not cooperate.

BWR had last reviewed the rating at BWR BB-/Stable Downgrade/Issuer Not Cooperating on 01 Feb 2022. BWR took up with the issuer to provide required information over email and phone calls. Despite BWR's best efforts to obtain at least the minimum required information for a rating review, the Company has not provided the same. In the absence of adequate information from the Company and continued lack of cooperation, BWR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating.

Hence, on account of inadequate information, lack of management cooperation, non submission of No default statement & no confirmation on the utilization of BWR rated proposed bank loan facilities, BWR has downgraded the rating to BWR B+/Stable with continuation of the rating under "ISSUER NOT COOPERATING".

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned

rating may also be accompanied by financial stress. The current rating action has been taken on the basis of the limited information on the issuer's performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as it may not adequately reflect the credit risk profile of the society, despite the downgrade

ABOUT THE COMPANY

Arnold Holdings Ltd, is a BSE listed non deposit taking non banking financing company (NBFC) incorporated in 1981, is engaged in lending to micro small and medium enterprises (MSME) and investment in shares.

KEY FINANCIAL INDICATORS

(As available with BWR and publicly available information)

Key Financial Indicators	Units	FY 2021	FY 2022	9MFY23
Result Type		Audited	Audited	Unaudited
AUM	Rs. Crores	48	80.78	NA
Net Operating Income	Rs. Crores	37.28	71.14	115.51
PAT	Rs. Crores	0.69	1.5	4.33
Net Worth	Rs. Crores	54.08	54.23	NA
NIM	%	NA	NA	NA
Gross NPA	Times	NA	NA	NA
Total CAR	%	NA	NA	NA

NA: Not Available

Net worth was Rs 59.09 Crs and loan book portfolio was Rs.102.47 Crs as on 30 Sep 2022.

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY: NIL

ANY OTHER INFORMATION : NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S.No	Instrument	Current Rating 2023			Rating History		
		Type	Amount (Rs Crs)	Rating	2022 (01-Feb-2022)	2021 (06-Jan-2021)	2020
1	Bank Loans (proposed fund based working capital)	Long term	100	BWR B+/ continues under ISSUER NOT COOPERATING* category/Stable (Downgraded)	BWR BB-/ Stable Downgrade/ Issuer Not Cooperating* (Downgraded)	BWR BB/ Stable (Assignment)	Nil
Total			100	INR One Hundred Crore only			

*Issuer did not cooperate, based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial Ratios](#)
- [Banks and Financial Institutions](#)
- [Issuer Non Cooperation Policy](#)

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Arnold Holdings Ltd

Annexure - I

Details of Bank Loan facilities rated by BWR:

Sl. No.	Name of Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)
1	Proposed	Term Loan/ Cash Credit	100.0	-	100.0
		TOTAL	100.0		100.0
Total Rs. One Hundred Crores only.					

ANNEXURE- II

INSTRUMENT (NCDs) Details: NA

ANNEXURE- III

List of Entities Consolidated : Not Applicable



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