



RATING RATIONALE

17 May 2024

Arnold Holdings Ltd.

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

Particulars:

Facilities **	Amount Rated (Rs. Cr)		Tenure	Rating*	
	Previous	Present		Previous (17 Feb 2023)	Present
Bank Loans (Proposed Fund based working capital limits)	100.00	100.00	Long Term	BWR B+/ Stable continues to be in ISSUER NOT COOPERATING# category/ Downgraded	BWR B/Stable continues to be in ISSUER NOT COOPERATING# category/ Downgraded
Total	100.00	100.00	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 the best available information as the issuer did not cooperate.

BWR had last reviewed the rating at BWR B+/Stable/Issuer Not Cooperating/Downgraded on 17 Feb 2023. BWR took up with the issuer to provide the 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, nonsubmission 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 the continuation of the rating under "ISSUER NOT COOPERATING".

The lenders/investors may note to exercise due caution while using the above rating which mentions "Issuer Not Cooperating" since the rating lacks any projections or forward looking component as it is arrived at based on the best available information without any management/banker's interaction.



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.

ANALYTICAL APPROACH

To arrive at its ratings, BWR has considered the standalone performance of Arnold Holdings Ltd.. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale)

KEY FINANCIAL INDICATORS

Please refer to the following link for the previous detailed rationale that captures the Key financial drivers

[View Previous Document](#)

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:

No outstanding non-cooperation rating with other Credit Rating Agencies.

ANY OTHER INFORMATION: NA

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

Instrument	Current Rating 2024			Rating History		
	Type	Amount (Rs Crs)	Rating	2023 (17-Feb-2023)	2022 (01-Feb-2022)	2021 (06-Jan-2021)
Bank Loans (proposed fund based working capital)	Long term	100	BWR B/ continues under ISSUER NOT COOPERATING* category/Stable (Downgrade)	BWR B+/ Stable continues to be in ISSUER NOT COOPERATING# category/ Downgraded	BWR BB-/ Stable Downgrade/ Issuer Not Cooperating* (Assignment)	BWR BB/ Stable (Assignment)
Total		100	INR One Hundred Crore only			

*Issuer did not cooperate, based on the 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](#)

Analytical Contacts		
Hitul Adatiya Senior Rating Analyst hitul.a@brickworkratings.com	Rahul Tandon Associate Director - Ratings rahul.tandon@brickworkratings.com	
1-860-425-2742	I	media@brickworkratings.com

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

INR One Hundred Crores only.

ANNEXURE- II

INSTRUMENT (NCDs) Details: NA

ANNEXURE- III

List of Entities Consolidated: Not Applicable



For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,560 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner.

DISCLAIMER :

Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect,



incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.