

## Press Release

K.A.R. Leathers Private Limited

July 20, 2022



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB-   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	10.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB-**'(read as **ACUITE double B Minus** ) From '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 10.00 crore bank facilities of K.A.R. Leathers Private Limited (KLPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

#### About the Company

The Chennai-based KLPL was incorporated in 1988 by Mr. A Mohideen. The company manufactures semifinished goat leather at Dindigul (South Tamil Nadu) with soaking capacity of 5000 pieces per day. The day-to-day operations are handled by Mr. Y Faizul Rahman.

#### Non-cooperation by the issuer/borrower:

Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an 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 Acuite's policies.

#### 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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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.

#### Rating Sensitivity

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

### Material Covenants

Not Applicable

### Liquidity Position

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

### Outlook

Not Applicable.

### Status of non-cooperation with previous CRA

Not Applicable.

### Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

### Note on Complexity Levels of the Rated Instrument

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

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Apr 2021	Cash Credit	Long Term	8.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Cash Credit	Long Term	1.50	ACUITE BB (Downgraded and Issuer not co-operating*)
29 Jan 2020	Cash Credit	Long Term	8.50	ACUITE BB+ (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	1.50	ACUITE BB+ (Issuer not co-operating*)
17 Nov 2018	Proposed Cash Credit	Long Term	1.50	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	8.50	ACUITE BB+ (Issuer not co-operating*)
23 Sep 2017	Cash Credit	Long Term	8.50	ACUITE BB+ (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	1.50	ACUITE BB+ (Issuer not co-operating*)
01 Jul 2016	Cash Credit	Long Term	8.50	ACUITE BB+   Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	1.50	ACUITE BB+   Stable (Reaffirmed)
02 Jun 2015	Cash Credit	Long Term	8.50	ACUITE BB+   Stable (Assigned)
	Proposed Cash Credit	Long Term	1.50	ACUITE BB+   Stable (Assigned)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Rating</b>
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.50	ACUITE BB-   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE BB-   Downgraded   Issuer not co-operating*

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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