

## Press Release

Ejaz Tanning Company

June 28, 2022



### Rating Reaffirmed and Issuer not co-operating

| Product                            | Quantum<br>(Rs. Cr) | Long Term Rating                                  | Short Term Rating                                 |
|------------------------------------|---------------------|---------------------------------------------------|---------------------------------------------------|
| Bank Loan Ratings                  | 26.00               | -                                                 | ACUITE A4   Reaffirmed   Issuer not co-operating* |
| Bank Loan Ratings                  | 5.30                | ACUITE B+   Reaffirmed   Issuer not co-operating* | -                                                 |
| Total Outstanding Quantum (Rs. Cr) | 31.30               | -                                                 | -                                                 |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00                | -                                                 | -                                                 |

# Refer Annexure for details

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

### Rating Rationale

Acuite has reviewed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs31.30 crore bank facilities of Ejaz Tanning Company (ETC). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

#### About the Firm

Tamil-Nadu based, ETC was established in 1986 as a partnership firm by Mr. A R Ejaz Ahmed, Mr. A R Imtiaz Ahmed, Mr. A R Istiyaq Ahmed, and Mr. A R Kashif Mohammad. The firm is engaged in manufacturing of finished leather and leather garments (jackets, skirts, pants and coats) and exports to Europe, USA, Russia, Korea and China. The firm procures raw material from Maharashtra and Tamil Nadu. Out of the total raw material, 50-60 percent of the raw leather is imported from Saudi Arabia.

#### 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 non-cooperation 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). Acuité endeavored 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

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 Indicators

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

### Outlook

Not Applicable

### Other Factors affecting Rating

Not Applicable

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

Acuité 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                       |
|-------------|--------------------------------|------------|-----------------|--------------------------------------|
| 30 Mar 2021 | Packing Credit                 | Short Term | 16.00           | ACUITE A4 (Issuer not co-operating*) |
|             | Term Loan                      | Long Term  | 1.20            | ACUITE B+ (Issuer not co-operating*) |
|             | Letter of Credit               | Short Term | 10.00           | ACUITE A4 (Issuer not co-operating*) |
|             | Term Loan                      | Long Term  | 1.10            | ACUITE B+ (Issuer not co-operating*) |
|             | Term Loan                      | Long Term  | 3.00            | ACUITE B+ (Issuer not co-operating*) |
| 30 Dec 2019 | Term Loan                      | Long Term  | 1.10            | ACUITE B+ (Issuer not co-operating*) |
|             | Packing Credit                 | Short Term | 16.00           | ACUITE A4 (Issuer not co-operating*) |
|             | Letter of Credit               | Short Term | 10.00           | ACUITE A4 (Issuer not co-operating*) |

|             |                  |            |       |                                      |
|-------------|------------------|------------|-------|--------------------------------------|
|             | Term Loan        | Long Term  | 3.00  | ACUITE B+ (Issuer not co-operating*) |
|             | Term Loan        | Long Term  | 1.20  | ACUITE B+ (Issuer not co-operating*) |
| 03 Oct 2018 | Term Loan        | Long Term  | 1.20  | ACUITE B+ (Issuer not co-operating*) |
|             | Term Loan        | Long Term  | 1.10  | ACUITE B+ (Issuer not co-operating*) |
|             | Term Loan        | Long Term  | 3.00  | ACUITE B+ (Issuer not co-operating*) |
|             | Packing Credit   | Short Term | 16.00 | ACUITE A4 (Issuer not co-operating*) |
|             | Letter of Credit | Short Term | 10.00 | ACUITE A4 (Issuer not co-operating*) |
| 31 Aug 2017 | Term Loan        | Long Term  | 1.20  | ACUITE B+   Stable (Assigned)        |
|             | Term Loan        | Long Term  | 1.10  | ACUITE B+   Stable (Assigned)        |
|             | Term Loan        | Long Term  | 3.00  | ACUITE B+   Stable (Assigned)        |
|             | Packing Credit   | Short Term | 16.00 | ACUITE A4 (Assigned)                 |
|             | Letter of Credit | Short Term | 10.00 | ACUITE A4 (Assigned)                 |

## Annexure - Details of instruments rated

| Lender's Name | ISIN           | Facilities       | Date Of Issuance | Coupon Rate    | Maturity Date  | Quantum (Rs. Cr.) | Rating                                            |
|---------------|----------------|------------------|------------------|----------------|----------------|-------------------|---------------------------------------------------|
| Canara Bank   | Not Applicable | Letter of Credit | Not Applicable   | Not Applicable | Not Applicable | 10.00             | ACUITE A4   Reaffirmed   Issuer not co-operating* |
| Canara Bank   | Not Applicable | PC/PCFC          | Not Applicable   | Not Applicable | Not Applicable | 16.00             | ACUITE A4   Reaffirmed   Issuer not co-operating* |
| Canara Bank   | Not Applicable | Term Loan        | Not available    | Not available  | 31-03-2021     | 1.20              | ACUITE B+   Reaffirmed   Issuer not co-operating* |
| Canara Bank   | Not Applicable | Term Loan        | Not available    | Not available  | 30-09-2022     | 1.10              | ACUITE B+   Reaffirmed   Issuer not co-operating* |
| Canara Bank   | Not Applicable | Term Loan        | Not available    | Not available  | 30-09-2024     | 3.00              | ACUITE B+   Reaffirmed   Issuer not co-operating* |

## Contacts

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
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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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