

## Press Release

Ajay Trading Company

July 27, 2022



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	23.70	-	ACUITE A4   Downgraded   Issuer not co-operating*
Bank Loan Ratings	7.30	ACUITE B+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	31.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE B+**' (read as **ACUITE double B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 31.00 crore bank facilities of Ajay Trading Company. The rating continues to be flagged as "Issuer Not-Cooperating" and has been downgraded on account of information risk.

### About the Company

Kolkata Based - Ajay Trading Company (ATC) was established in 1974 as a partnership firm by Mr A.S. Jain, Late Mr. B. P. Jain and Mr. Ajay Jain. The firm is engaged in the coal business and caters to coal traders as also cement and paper manufacturers.

### 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 unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating continues to be 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

None

### 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

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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
28 Apr 2021	Cash Credit	Long Term	7.30	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	3.70	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Issuer not co-operating*)
04 Feb 2020	Cash Credit	Long Term	7.30	ACUITE BB (Issuer not co-operating*)
	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Issuer not co-operating*)

	Proposed Bank Guarantee	Short Term	3.70	ACUITE A4+ (Issuer not co-operating*)
23 Nov 2018	Proposed Bank Guarantee	Short Term	3.70	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	7.30	ACUITE BB (Issuer not co-operating*)
	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Issuer not co-operating*)
15 Sep 2017	Cash Credit	Long Term	7.30	ACUITE BB   Stable (Reaffirmed)
	Proposed Bank Guarantee	Short term	3.70	ACUITE A4+ (Reaffirmed)
	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Reaffirmed)
10 Jun 2016	Cash Credit	Long Term	5.00	ACUITE BB   Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	1.00	ACUITE BB   Stable (Reaffirmed)
	Bank Guarantee	Short Term	25.00	ACUITE A4+ (Reaffirmed)
02 Apr 2015	Cash Credit	Long Term	4.00	ACUITE BB   Stable (Assigned)
	Proposed Cash Credit	Long Term	2.00	ACUITE BB   Stable (Assigned)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Maharashtra	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A4   Downgraded   Issuer not co-operating*
Bank of Maharashtra	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.30	ACUITE B+   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	3.70	ACUITE A4   Downgraded   Issuer not co-operating*

## Contacts

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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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