

Press Release

AJB Leathers

December 15, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 16.00 Cr. #
Long Term Rating	ACUITE BB- (Downgraded) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité 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.16.00 crore bank facilities of A J B Leathers (AJBL). The rating is downgraded and flagged as "Issuer Not-Cooperating" on account of information risk.

AJB Leathers, a proprietorship firm established in the year 2000 manufactures wet blue, finished leathers and East India (EI) leather. The concern has tannery in Dindigul, Tamil Nadu with an installed capacity of 54 lac square feet per annum. The daily operations are managed by Mr. A J Balasubramanian.

Non-cooperation by the issuer/borrower

Acuité 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.

Acuité 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.

Applicable Criteria

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

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 endeavoured 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.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
04-Oct-2019	Cash Credit	Long Term	8.00	ACUITE BB/Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	8.00	ACUITE BB/Stable (Assigned)
12-Mar-2019	Cash Credit	Long Term	9.00	ACUITE BB (Indicative)
29-Dec-2017	Cash Credit	Long Term	9.00	ACUITE BB/Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB- (Downgraded) Issuer not Cooperating
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB- (Downgraded) Issuer not Cooperating

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

Contacts

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About Acuite Ratings & Research:

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