

## Press Release

AJB Leathers

March 08, 2022



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	16.00	ACUITE B+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	16.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE single B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) 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.

### About the Company

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.

### 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.

## Rating Sensitivity

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

## Material Covenants

Not Applicable

## Liquidity Position

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

## Outlook

Not Applicable

## Status of non-cooperation with previous CRA

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.

## 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
15 Dec 2020	Proposed Cash Credit	Long Term	8.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	8.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
04 Oct 2019	Proposed Cash Credit	Long Term	8.00	ACUITE BB   Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BB   Stable (Reaffirmed)
12 Mar 2019	Cash Credit	Long Term	9.00	ACUITE BB (Issuer not co-operating*)
29 Dec 2017	Cash Credit	Long Term	9.00	ACUITE BB   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )

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### About Acuité Ratings & Research

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,850 credit 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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