

## Press Release

### Sonachi Industries Limited

April 25, 2023



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	12.00	ACUITE D   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	3.00	-	ACUITE D   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	15.00	-	-

### Rating Rationale

Acuité has downgraded its long term rating to '**ACUITE D' (read as ACUITE D)**' from '**ACUITE B+ (read as ACUITE B plus)**' and the short term rating to '**ACUITE D' (read as ACUITE D)**' from '**ACUITE A4 (read as ACUITE A four)**' on the Rs.15.00 crore bank facilities of Sonachi Industries Limited. The rating continues to be flagged as "Issue Not Cooperating" and is on account of information risk. The downgrade is on the account of the suit filed against the company as mentioned in the defaulter list published by CIBIL.

### About the Company

Incorporated in 2006, Sonachi Industries Limited (SIL), a Maharashtra-based company was promoted by J. B. Tiwari and family. The company is engaged in the manufacture of agro chemicals such as insecticides, pesticides and fungicides at Dadra and has around 140 products.

### 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. Acuité 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. However, the issuer / borrower failed to submit such information before due date. This rating continues to be flagged as "Issuer notcooperating", in line with prevailing SEBI regulations and Acuité'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.

### 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

None

### Liquidity Position

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

### Outlook: Not Applicable

### Other Factors affecting Rating

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

### 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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Jun 2022	Letter of Credit	Short Term	3.00	ACUITE A4 ( Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE B+ ( Issuer not co-operating*)
30 Mar 2021	Cash Credit	Long Term	12.00	ACUITE B+ (Issuer not co-operating*)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Issuer not co-operating*)
02 Jan 2020	Letter of Credit	Short Term	3.00	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE B+ (Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	12.00	ACUITE D   Downgraded   Issuer not co-operating*
Indian Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE D   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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