

Press Release

Pagan Paints & Chemicals Private Limited

July 20, 2022



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|---------------------|---|---|
| Bank Loan Ratings | 1.80 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Bank Loan Ratings | 3.50 | ACUITE B+ Reaffirmed Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 5.30 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B Plus**) and the short-term rating of '**ACUITE A4**' (read as **ACUITE A Four**) on the Rs. 5.30 Crore bank facilities of **PAGAN PAINTS AND CHEMICALS PRIVATE LIMITED (PPCPL)**. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

PPCPL was incorporated in 1982 by Manjeet Sharma, Jagdish Chand Sharma and Ankur Sharma, is engaged in the production of paints and pre metal treatment chemicals at Gurgaon. Its registered office is in New Delhi and has a branch in Pune

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 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). 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

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

CRISIL, vide its press release dated April 18, 2022 had denoted the long term rating of Pagan Paints and Chemicals Private Limited as 'CRISIL B+ /Stable (ISSUER NOT COOPERATING)' and short term rating as 'CRISIL A4 (ISSUER NOT COOPERATING)' on account of lack of adequate information required for monitoring of ratings. The earlier rating, however also stood at 'CRISIL B+ /Stable (ISSUER NOT COOPERATING)' and short term rating as 'CRISIL A4 (ISSUER NOT COOPERATING)' vide its press release dated February 23, 2021.

CARE, vide its press release dated December 24, 2021 had denoted the long term rating of Pagan Paints and Chemicals Private Limited as 'CRISIL B- /Stable (ISSUER NOT COOPERATING)' and short term rating as 'CRISIL A4 (ISSUER NOT COOPERATING)' on account of lack of adequate information required for monitoring of ratings. The earlier rating, however also stood at 'CRISIL B- /Stable (ISSUER NOT COOPERATING)' and short term rating as 'CRISIL A4 (ISSUER NOT COOPERATING)' vide its press release dated January 07, 2021.

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

- 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 |
|-------------|--------------------------------|------------|-----------------|--------------------------------------|
| 21 Apr 2021 | Cash Credit | Long Term | 3.50 | ACUITE B+ (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 0.10 | ACUITE A4 (Issuer not co-operating*) |
| | Proposed Bank Guarantee | Short Term | 0.20 | ACUITE A4 (Issuer not co-operating*) |
| | Letter of Credit | Short Term | 1.50 | ACUITE A4 (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 0.10 | ACUITE A4 (Issuer not co-operating*) |

| | | | | |
|-------------|-------------------------|------------|------|--------------------------------------|
| 29 Jan 2020 | Proposed Bank Guarantee | Short Term | 0.20 | ACUITE A4 (Issuer not co-operating*) |
| | Letter of Credit | Short Term | 1.50 | ACUITE A4 (Issuer not co-operating*) |
| | Cash Credit | Long Term | 3.50 | ACUITE B+ (Issuer not co-operating*) |
| 19 Nov 2018 | Proposed Bank Guarantee | Short Term | 0.20 | ACUITE A4 (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 0.10 | ACUITE A4 (Issuer not co-operating*) |
| | Letter of Credit | Short Term | 1.50 | ACUITE A4 (Issuer not co-operating*) |
| | Cash Credit | Long Term | 3.50 | ACUITE B+ (Issuer not co-operating*) |
| 27 Sep 2017 | Cash Credit | Long Term | 3.50 | ACUITE B+ (Issuer not co-operating*) |
| | Letter of Credit | Short term | 1.50 | ACUITE A4 (Issuer not co-operating*) |
| | Bank Guarantee | Short term | 0.10 | ACUITE A4 (Issuer not co-operating*) |
| | Proposed Bank Guarantee | Long Term | 0.20 | ACUITE B+ (Issuer not co-operating*) |
| 10 Jun 2016 | Cash Credit | Long Term | 3.50 | ACUITE B+ Stable (Assigned) |
| | Letter of Credit | Short Term | 1.50 | ACUITE A4 (Assigned) |
| | Bank Guarantee | Short Term | 0.10 | ACUITE A4 (Assigned) |
| | Proposed Bank Guarantee | Long Term | 0.20 | ACUITE B+ Stable (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 | Bank Guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | 0.10 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Canara Bank | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 3.50 | ACUITE B+ Reaffirmed Issuer not co-operating* |
| Canara Bank | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 1.50 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 0.20 | ACUITE A4 Reaffirmed Issuer not co-operating* (from ACUITE B+) |

Contacts

| Analytical | Rating Desk |
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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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