

Press Release

Monarch Self Adhesive Tapes and Foams India Private Limited

April 30, 2019

Rating Update



Total Bank Facilities Rated*	Rs.8.00 Cr.#
Long Term Rating	ACUITE B Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details

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

Acuité has reviewed the long-term rating of '**ACUITE B**' (read as **ACUITE B**) and short term rating of '**ACUITE A4**' (read as **ACUITE A Four**) on the Rs. 8.00 crore bank facilities of Monarch Self Adhesive Tapes and Foams India Private Limited (Monarch). This rating is now an indicative rating and is based on best available information.

Monarch was originally started in 1978. Later in December 1993, the company got converted into private limited company and was named as Monarch Self Adhesive Tapes and Foams Private Limited. The company was promoted by Mr. Prabhakar N Metrani. Monarch is engaged in manufacturing of various types of adhesive tapes for diverse customer base across multiple end markets.

The founder and promoter of the company, Mr. Prabhakar N Metrani is one of the pioneers in self-adhesive tapes and was associated earlier with multinational company, J&J in Q.A and R&D. He has to his credit of introducing many new tapes for the first time in India. He is the first to introduce PVC Insulation Tapes conforming to defence specifications, polyethylene self-adhesive tapes for pipe wrapping of underground pipes in petrol refinery and Cloth gummed tape for packaging before BOPP Tape came into Indian Market.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities- <https://www.acuite.in/criteria-manufacturing.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

	Unit	FY16 (Actual)	FY15 (Actual)	FY14 (Actual)
Operating Income	Rs. Cr.	21.44	21.13	20.24
EBITDA	Rs. Cr.	1.63	1.74	1.70
PAT	Rs. Cr.	0.18	0.12	0.07
EBITDA Margin	(%)	7.62	8.23	8.39
PAT Margin	(%)	0.85	0.56	0.36
ROCE (%)	(%)	11.63	10.81	24.91
Total Debt/Tangible Net Worth	Times	1.04	1.29	1.36
PBDIT/Interest	Times	1.65	1.49	1.40
Total Debt/PBDIT	Times	3.24	3.97	3.80
Gross Current Assets (Days)	Days	237	236	246

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

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
17-Feb-2018	Cash Credit	Long term	5.00	ACUITE B Issuer not co-operating*
	Letter of Credit	Short Term	3.00	ACUITE A4 Issuer not co-operating*
21-Dec-2016	Cash Credit	Long term	5.00	ACUITE B/Stable (Assigned)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Assigned)

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

#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	5.00	ACUITE B Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
<p>Srihari Adari Head - Corporate and Infrastructure Sector Ratings Tel: 040-40042327 srihari.adari@acuite.in</p> <p>Naveen Papisetty Analyst - Rating Operations Tel: 040-40055480 naveen.papisetty@acuiteinratings.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings 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 6,000 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 Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website(www.acuite.in) for the latest information on any instrument rated by Acuité.