

Press Release

Sonalac Paints And Coatings Limited

March 17, 2021



Rating Update

Total Bank Facilities Rated*	Rs. 13.31 Cr.#
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BB) 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 downgraded the long term rating to '**ACUITE BB-**' (**read as ACUITE double B minus**) from '**ACUITE BB**' (**read as ACUITE double B**) and reviewed the short-term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 13.31 crore bank facilities of Sonalac Paints and Coatings Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Chandigarh based, Sonalac Paints & Coating Limited incorporated in the year 1988 as a public limited company managed by Mr. Radhey Shyam Garg, Mr. Bobby Garg, Ms Kiran Garg and Mr. Rupesh Garg. Company is engaged in manufacturing of various dry and liquid decorative paints like interior and exterior emulsions, plastic emulsions, cement paints, acrylic distemper, dry wall putty, cement primer etc. The manufacturing facility of SPCL is located in Jammu & Kashmir and Rajasthan with an installed capacity of 73500 tonnes of dry paint and 1050 tonnes of liquid paint per year; however actual production is 40% of the installed capacity.

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.

This rating continues to be 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-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
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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.

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

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

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.

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requests and follow-ups.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
24-Dec-2019	Cash Credit	Long Term	6.50	ACUITE BB Issuer not co-operating*
	Secured Overdraft	Long Term	2.69	ACUITE A4+ Issuer not co-operating*
	Letter of Credit	Short Term	4.00	ACUITE A4+ Issuer not co-operating*
	Proposed Bank Facility	Long Term	0.12	ACUITE BB Issuer not co-operating*
26-Jun-19	Cash Credit	Long Term	6.50	ACUITE BBB- Issuer not co-operating*
	Secured Overdraft	Long Term	2.69	ACUITE BBB- Issuer not co-operating*
	Letter of Credit	Short Term	4.00	ACUITE A3 Issuer not co-operating*
	Proposed Bank Facility	Long Term	0.12	ACUITE BBB- Issuer not co-operating*
16-Apr-18	Cash Credit	Long Term	6.50	ACUITE BBB-/Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.69	ACUITE BBB-/Stable (Reaffirmed)
	Letter of Credit	Short Term	4.00	ACUITE A3 (Assigned)
	Proposed Bank Facility	Long Term	0.12	ACUITE BBB-/Stable (Reaffirmed)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.50	ACUITE BB Downgraded; Issuer Not Cooperating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	2.69	ACUITE BB Downgraded; Issuer Not Cooperating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4+ Downgraded; Issuer Not Cooperating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.12	ACUITE BB Downgraded; Issuer Not Cooperating*

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

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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 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.

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