

## Press Release

### Sonalac Paints And Coatings Limited

June 15, 2022



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.00	-	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	9.31	ACUITE BB-   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	13.31	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) and 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 reaffirmed on account of information risk.

### About the Company

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:

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.

This rating continues to be 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

None

### Status of non-cooperation with previous CRA

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.

### 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
17 Mar 2021	Proposed Bank Facility	Long Term	0.12	ACUITE BB (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	2.69	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	6.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	4.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
24 Dec 2019	Secured Overdraft	Long Term	2.69	ACUITE BB (Issuer not co-operating*)
	Cash Credit	Long Term	6.50	ACUITE BB (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.12	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	4.00	ACUITE BB (Issuer not co-operating*)
26 Jun 2019	Cash Credit	Long Term	6.50	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*)

	Secured Overdraft	Long Term	2.69	ACUITE BBB- (Issuer not co-operating*)
16 Apr 2018	Cash Credit	Long Term	6.50	ACUITE BBB-   Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.69	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	0.12	ACUITE BBB-   Stable (Assigned)
	Letter of Credit	Short Term	4.00	ACUITE A3 (Assigned)
28 Feb 2018	Cash Credit	Long Term	6.50	ACUITE BBB-   Stable (Assigned)
	Secured Overdraft	Long Term	3.00	ACUITE BBB-   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	6.50	ACUITE BB-   Reaffirmed   Issuer not co-operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Punjab National Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	2.69	ACUITE BB-   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.12	ACUITE BB-   Reaffirmed   Issuer not co-operating*

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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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