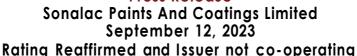


#### Press Release





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

### **Rating Rationale**

Acuité 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:

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation 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 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, Act lenders and investors regarding the use of such information, on which the indirating is based.	uité cautions icative credit
Acuité Ratings & Research Limited	www acuite in

## **Rating Sensitivity**

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

### **All Covenants**

Not Applicable.

## **Liquidity Position**

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

### Outlook

Not Applicable.

# Other Factors affecting Rating

Not Applicable.

### **Key Financials**

Particulars	Unit	FY 17 (Actual)	FY 16 (Actual)
Operating Income	Rs. Cr.	35.70	28.71
PAT	Rs. Cr.	1.01	0.35
PAT Margin	(%)	2.83	1.21
Total Debt/Tangible Net Worth	Times	1.70	2.20
PBDIT/Interest	Times	2.54	1.55

Status of non-cooperation with previous CRA

Not Applicable.

### 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.

# Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
	Secured Overdraft	Long Term	2.69	ACUITE BB- ( Issuer not co-operating*)
15 Jun	Letter of Credit	Short Term	4.00	ACUITE A4+ ( Issuer not co-operating*)
2022	Proposed Bank Facility	Long Term	0.12	ACUITE BB- ( Issuer not co-operating*)
	Cash Credit	Long Term	6.50	ACUITE BB- ( Issuer not co-operating*)
	Proposed Bank Facility		0.12	ACUITE BB (Downgraded and Issuer not co-operating*)
17 Mar 2021	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*)

### Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	6.50	ACUITE BB-   Reaffirmed   Issuer not co- operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE A4+   Reaffirmed   Issuer not co- operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not	Not Applicable	Not Applicable	Simple	0.12	ACUITE BB-   Reaffirmed   Issuer not co- operating*
Punjab National Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	2.69	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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