Press Release
ALA CHEMICALS PRIVATE LIMITED
September 27, 2023
Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.50	ACUITE BB+ | Reaffirmed | Issuer not co-operating*	-
Bank Loan Ratings	58.00	-	ACUITE A4+ | Reaffirmed | Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	71.50	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of **'ACUITE BB+' (read as ACUITE double B plus)** and short term rating of **'ACUITE A4+' (read as ACUITE A four plus)** from on the Rs. 71.50 crore bank facilities of Ala Chemicals Private Limited (ACPL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Thane based Ala Chemicals Private Limited was incorporated in 1966 and taken over by Lalitha Group in 2015. Lalitha Group is promoted by Mr. Subray S Hosamane and Mrs. Veena Hosmane. The company is engaged in manufacturing and trading of PVC additives which are known as "Heat Stabilizers". The heat stablizers are based on Lead, Tin, Barium/Cadmium/Zinc/Potassium and Calcium/Zinc etc. Currently the directors of the company are Mr. Subray Hosmane, Mrs. Veena Hosmane and Mr. Jitendra Bhat Mrityunjaya Hire.

About the Group

Thane based Lalitha Group was established in the year 1978 by Hosamane family. The chief promoters of this Group are Mr. Subray S Hosamane and Mrs. Veena Hosamane. Under Lalitha Group, other companies are Lalitha Chem Industries Private Limited, Subray Catal Chem Private Limited and Ala Chemicals Private Limited. This group is engaged into manufacturing of organic and inorganic chemicals like PVC Plasticizers, CPVC Compounds, Calcium Zinc Stabilizers, Tin Stabilizers for PVC, Metallic Stearates, Lubricants etc., which are used in the irrigation and infra industries mainly which is contributing more than 90% of its revenue. The group is in the business for the past four decades.
The group's marketing and plant operations are managed by Mr. Subray S Hosamane with the support of team of people and the finance, administration and other activities are looked after by the CFO of the Group.

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 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.

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 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	436.63	424.45
PAT	Rs. Cr.	17.64	12.22
PAT Margin	(%)	4.04	2.88
Total Debt/Tangible Net Worth	Times	1.08	0.38
PBDIT/Interest	Times	4.93	3.41

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
- Consolidation Of Companies: https://www.acuite.in/view-rating-criteria-60.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
29 Jun 2022	Proposed Bank Facility	Long Term	1.00	ACUITE BB+ (Issuer not co-operating*)
	Proposed Bank Facility	Short Term	28.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	2.50	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Short Term	30.00	ACUITE A4+ (Issuer not co-operating*)
31 Mar 2021	Proposed Bank Facility	Long Term	1.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Short Term	28.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	30.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
08 Jan 2020	Cash Credit	Long Term	10.00	ACUITE BBB | Stable (Reaffirmed)
	Letter of Credit	Short Term	30.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Long Term	1.00	ACUITE BBB | Stable (Reaffirmed)
	Proposed Bank Facility	Short Term	28.00	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE BBB | Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB+ | Reaffirmed | Issuer not co-operating*
Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	ACUITE A4+ | Reaffirmed | Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE BB+ | Reaffirmed | Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	28.00	ACUITE A4+ | Reaffirmed | Issuer not co-operating*
Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.50	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.