

Press Release

Sona Synthetics

June 02, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 6.00 Cr. #
Long Term Rating	ACUITE B Issuer not co-operating*

Refer Annexure for details`

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

ACUITE has reviewed long term rating of '**ACUITE B**' (**read as ACUITE B**) on the Rs.6.00 crore bank facilities of Sona Synthetics(Sona).This rating is now an indicative rating and is based on best available information.

Established in 1999, the firm has Mr. Hiteshree Shailesh Shah, Dhruv Shailesh Shah and Jiten Nathalal Shah as partners. The partnership firm is engaged in the processing of yarn into synthetic fabric. Out of their entire produce, 75 per cent is sold as processed yarn and 25 per cent is made into cloth/fabric. Out of the fabric that is sold, 50 per cent is plain and 50 per cent is printed. Their suppliers include domestic traders and their customers include wholesalers which sell the fabric for manufacturing shirts. Their monthly capacity is around 100 metric tonnes per month of which they are currently utilising 50 percent

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of Sona to arrive at this rating.

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.

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing entities - <https://www.acuite.in/view-rating-criteria-4.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 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest Financial Statements despite repeated attempts.

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

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
26-Mar-2019	Cash Credit	Long Term	6.00	ACUITE B/Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE B Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile ACUITE 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.

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