

Press Release

Sonal Vyapar Private Limited

December 23, 2020



Rating Update

Total Bank Facilities Rated*	Rs.23.00 Cr. #
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from 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 the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.23 Cr bank facilities of Sonal Vyapar Private Limited. This rating is now an indicative rating and is based on the best available information.

Established in 1983, Sonal Vyapar Private Limited manufactures structural steel (primarily comprising mild steel angles and channels) at its facility in Salem, Tamil Nadu. The promoters are Mr. Ravi Gupta and his son Mr. Alok Gupta. SVPL is a part of the OPG Group, which has interests in steel manufacturing and power generation. On January 14, 2016, the company converted its corporate status from public company to a private company and was subsequently re-named from Sonal Vyapar Limited to Sonal Vyapar Private Limited.

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 an 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/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-53.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 requests.

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

ICRA, vide its press release dated July 28, 2020 has denoted the rating of Sonal Vyapar Private Limited as 'ICRA B+/Stable/A4; ISSUER NOT COOPERATING' on account of lack of adequate information required to monitor the ratings.

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. Cr.)	Ratings/Outlook
10-Oct-2019	Cash Credit	Long Term	9.25	ACUITE BB/ Stable (Assigned)
	Term Loan	Long Term	0.50	ACUITE BB/ Stable (Assigned)
	Letter of Credit	Short Term	13.00	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	0.25	ACUITE A4+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.25	ACUITE BB- (Downgraded) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	0.50	ACUITE BB- (Downgraded) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE A4 (Downgraded) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE A4 (Downgraded) Issuer not co-operating*

Contacts

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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 8,374 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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