

## Press Release

Sonal Vyapar Private Limited

March 23, 2022



### Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.25	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	9.75	ACUITE B+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	23.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE single B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and reaffirmed the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.23.00 Cr. bank facilities of Sonal Vyapar Private Limited. This rating continues to be an indicative rating and is based on the best available information.

### About the Company

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:

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 due date.

Acuite 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 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 Acuité to comment upon.

## Material Covenants

Not Applicable

## Liquidity Position

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

## Outlook

Not Applicable

## Status of non-cooperation with previous CRA

ICRA, vide its press release dated October 06, 2021 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.

## 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

<https://www.acuite.in/view-rating-criteria-55.htm>

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Dec 2020	Cash Credit	Long Term	9.25	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	13.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.25	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.50	ACUITE BB- (Downgraded and Issuer not co-operating*)
10 Oct 2019	Term Loan	Long Term	0.50	ACUITE BB   Stable (Assigned)
	Bank Guarantee	Short Term	0.25	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	13.00	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	9.25	ACUITE BB   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE A4   Reaffirmed   Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.25	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE A4   Reaffirmed   Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.50	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )

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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 8,850 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 Kanjurmarg, Mumbai.

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