

Sonalac Paints and Coatings Limited

May 29, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	9.50	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information

Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated April 10, 2023, placed the rating(s) of Sonalac Paints and Coatings Limited (SPCL) under the 'issuer non-cooperating' category as SPCL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SPCL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated February 24, 2024, March 05, 2024, March 15, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of SPCL have been revised on account of non-availability of requisite information.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [April 10, 2023](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the company

Sonalac Paints and Coatings Limited (SPCL) was incorporated in 1988 as a public limited company and is currently being managed by Mr. Radhe Shyam Garg, Mr Bobby Garg, Ms Kiran Garg and Mr Rupesh Garg. SPCL is engaged in the manufacturing of various dry and liquid decorative paints like exterior emulsions, interior emulsions, plastic emulsions, cement paints, acrylic distemper, dry distemper, dry wall putty, acrylic wall putty, cement primer, etc, at its two manufacturing facilities based in J & K and Rajasthan having an installed capacity of 60,000 Tonnes of dry and liquid decorative paint per year, as on June 30, 2018. The finished goods are sold under the brand name of "Sonalac" to various wholesalers and retailers through a network of 40 dealers and network of depots at 12 locations spread across India.

Brief Financials (Rs. crore)	March 31, 2019 (A)	March 31, 2020 (A)
Total operating income	72.98	116.09
PBILDT	7.39	6.93
PAT	3.68	3.82
Overall gearing (times)	0.97	0.63
Interest coverage (times)	5.30	7.57

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities of SPCL into Issuer Not Cooperating category vide press release dated April 15, 2024 on account of its inability to carry out a review in the absence of requisite information.

Acuite has continued the rating assigned to the bank facilities of SPCL into Issuer Not Cooperating category vide press release dated September 12, 2023 on account of its inability to carry out a review in the absence of requisite information.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	2.81	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	6.50	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	October 2019	0.19	CARE B-; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings		Rating History				
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	0.19	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (10-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (02-Feb-22)
2	Fund-based - LT-Cash Credit	LT	6.50	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (10-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (02-Feb-22)
3	Fund-based - LT-Bank Overdraft	LT	2.81	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (10-Apr-23)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (02-Feb-22)

*Issuer did not cooperate; based on best available information.

LT: Long term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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