

Shalimar Paints Limited

November 28, 2024

CARE Ratings Limited (CARE Ratings) refers to the recent rating action taken by other Credit Rating Agency (CRA), wherein the other CRA has revised the ratings assigned to the bank facilities of Shalimar Paints Limited (SPL), based on the findings in the CRIF report, and simultaneously withdrawn the ratings.

In this regard, CARE Ratings has verified the conduct of accounts from the lenders and company's management confirmation. CARE Ratings has received written feedback from all the lenders whose facilities are rated, stating that the account is standard and there has been no instance of any delay or default in debt servicing. One of the lender also confirmed in writing that marginal amount of demand against GECL loan which could not be recovered as on September 30, 2024, due to calculation error at their end was recovered immediately on the next day and no penal or late payment charges were levied. The lender has also highlighted that there was no liquidity issue on the due date since sufficient balance was available with the company. The feedback from the lenders are also in line with CARE Ratings' discussions conducted with the lenders during the earlier reviews and the monthly No Default Statements (NDS) submitted by the company to CARE Ratings. CARE Ratings has also taken a note of adequate liquidity available with the company in the form of unencumbered fixed deposits to the tune of Rs.12.50 crore and the unutilized balance in cash credit limits to the tune of Rs.19.50 crore as on September 30, 2024.

Please refer to the following link for the previous press release on SPL (dated December 11, 2023), which captures among other things the rationale and key rating drivers along with their detailed description, rating sensitivities, liquidity position, and brief financials. ([Click here](#)).

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 91 22 6754 3444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Puneet Kansal Director CARE Ratings Limited Phone: 91-120-4452018 E-mail: puneet.kansal@careedge.in Dhruv Mittal Assistant Director CARE Ratings Limited Phone: 91-120-4452050 E-mail: dhruv.mittal@careedge.in Shubham Kumar Lead Analyst CARE Ratings Limited E-mail: Shubham.Kumar@careedge.in
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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

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