



Rating Rationale

Almega Paints Private Limited

18 Mar 2020

Brickwork Ratings downgrades the ratings of Rs. 7.18 Crores Almega Paints Private Limited based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous** (Dec 2018)	Present
Fund based				BWR BB- Stable	BWR B Stable [Downgraded] Issuer Not Cooperating*
Overdraft Facility	3.00	3.00	Long Term		
Term Loan	2.16	2.16			
Term Loan	2.02	2.02			
Total	7.18	7.18	₹ Seven Crores and Eighteen Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

**The rating was migrated to rating not reviewed category in Jan 2020.

Issuer did not cooperate; based on best available information

Details of Bank facilities provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The Long Term rating of the Bank Loan Facilities of the entity have been downgraded to BWR B/ Stable , under the 'Issuer Not Cooperating' category from BWR BB-/Stable.

The entity is established with the objective of doing job process work for asian paint and paint industry is expected to increase in India, thus the rating outlook has been reaffirmed as stable.

BWR had initially rated Bank Loan facilities amounting to Rs.7.18 Crs in December, 2018 assigning rating of BWR BB-/ Stable. The rating was moved to RNR in January 2020. BWR took up with the issuer consistently to provide required information over emails and telephonically dated 2.03.2020 and 16.03.2020. Further, BWR also took follow up with the banker for conduct of account over various emails dated 2.03.2020 and 16.03.2020 for the conduct of accounts but the banker has not responded to provide the feedback. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not



provided the same. In the absence of adequate information from the firm, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating.

Limitations of the rating:

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Particulars	Units	2018	2017
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	14.14	14.09
EBITDA	₹ Cr	3.46	4.12
PAT	₹ Cr	0.63	1.55
TNW	₹ Cr	4.71	4.08
Total Debt : TNW	Times	3.39	4.44
Current Ratio	Times	3.07	3.45

COMPANY PROFILE

Almega Paints Pvt. Ltd was incorporated on 02nd, June 2008 and is doing job process work for Asian Paints Ltd. The products manufactured are water & solvent base paints including an in house resin plant. The company started with the production of Water Based Paints in 2009, and Solvent based in 2010 and then Resin production in 2013. The company belongs to Kanabar Group.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

Rating History

Instrument/ Facilities	Current Rating 2020		Rating History					
	Bank Loan	2 Jan 2020 Rating Not Reviewed		2019	31 Dec 2018		2017	
Current Rating								
	FB	7.18	BWR B (Downgraded) Issuer Not Cooperating*	NA	FB	7.18	BWR BB-Stable (Assigned)	NA

*Issuer did not cooperate; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

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ANNEXURE I



Almega Paints Private Limited
Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Union Bank of India	<u>Fund based</u> Overdraft Facility Term Loan Term Loan	3.00 2.16 2.02	-	7.18
TOTAL					7.18

INR Seven Crores and Eighteen Lakhs Only

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