

Press Release

Syscon Instruments Private Limited

February 13, 2023



Rating Reaffirmed & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	9.90	ACUITE BB Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	6.00	-	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	15.90	-	-

Rating Rationale

Acuite has reaffirmed & withdrawn the long-term rating to '**ACUITE BB**' (read as double B) and reaffirmed the short-term rating of '**ACUITE A4+**' (read as ACUITE A four plus) on the Rs.15.90 Cr bank facilities of Syscon Instruments Private Limited (SIPL). The rating continues to be flagged as "Issuer NotCooperating" based on account of information risk.

The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating. The rating is being withdrawn on account of the request received from the firm and No Due Certificate received from the banker.

About the Company

Bangalore based Syscon Instruments Private Limited was incorporated in 1978 by Mr. M. Mallikarjuna Swamy. The company is engaged in assembly line automation, turnkey project and design & manufacturing of special purpose machine (SPM) used in automobile industry.

About the Group

Instrol Devices was established as a partnership firm in 1984. The firm is engaged in doing job work for Syscon Instruments Private Limited by manufacturing SPM's machine parts. The partners of the firm are M. Mallikarjuna Swamy, Kasturi Rangan, A. Ranganatha and G. S. Veerabhadrapa.

Syscon Calibration Centre Private Limited was incorporated in 2009. The company is engaged in providing services for repair and maintenance of SPM's. The directors of the company are M. Mallikarjuna Swamy, Kasturi Rangan, A. Ranganatha and G. S. Veerabhadrapa.

Syscon Metering Solution Private Limited was incorporated in 2014. The company is engaged in manufacturing electrical meters and IoT (Internet of things). The directors of the company are M. Mallikarjuna Swamy, Kasturi Rangan and A. Ranganatha.

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 the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with 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.

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 the 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 statement for Acuite to comment

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

None

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>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Jul 2022	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	1.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	1.18	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.22	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BB (Downgraded and Issuer not co-operating*)
29 Apr 2021	Term Loan	Long Term	1.50	ACUITE BB+ Stable (Upgraded from ACUITE BB- Stable)
	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BB+ Stable (Upgraded from ACUITE BB- Stable)
	Proposed Bank Facility	Long Term	0.22	ACUITE BB+ Stable (Upgraded from ACUITE BB- Stable)
	Working Capital Demand Loan	Long Term	1.18	ACUITE BB+ Stable (Assigned)
05 Feb 2020	Cash Credit	Long Term	7.00	ACUITE BB- Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	0.27	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	1.23	ACUITE BB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	6.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	7.00	ACUITE BB Reaffirmed & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.22	ACUITE BB Reaffirmed & Withdrawn Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	31 Dec 2017	9.20	31 Dec 2024	Simple	1.50	ACUITE BB Reaffirmed & Withdrawn Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	Simple	1.18	ACUITE BB Reaffirmed & Withdrawn Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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