

## Press Release

### Designtech Systems Limited

April 23, 2020



### Rating Update

<b>Total Bank Facilities Rated</b>	Rs. 50.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB+ (Downgraded from ACUITE BBB /Negative) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*

# Refer Annexure for details

\* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs.50.00 crore bank facilities of Designtech Systems Limited. This rating is now an indicative rating and is based on best available information. The downgrade is due to information risk.

Designtech Systems Limited (DSL) was incorporated in February 1998 and is promoted by Mr. Mr. Vikas Khanvelkar and Mr. Sachin Chougule. The company is a product distributor of CAD software in India for many leading companies like Siemens Industry Software, Altair Engineering etc. The company also is into product design and engineering services and is an authorized training partner for CAD and CAE software and caters to various government departments as well as private players

#### 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 due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation 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.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Entities - <https://www.acuite.in/view-rating-criteria-50.htm>

#### 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 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.

#### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
14-Feb-2019	Term Loan	Long Term	50.00	ACUITE Provisional A- (SO) (Withdrawn)
	Cash Credit	Long Term	20.00	ACUITE BBB/ Negative (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A3+ (Assigned)
	Proposed Long Term Loan	Long Term	25.00	ACUITE BBB/ Negative (Assigned)
4-Apr-2018	Term Loan	Long Term	50.00	ACUITE Provisional A- (SO)/ Stable

### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*

\*The issuer did not co-operate; Based on best available information.

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### About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings 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 6,000 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 Mumbai.

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