

Press Release

**Suncity Strips and Tubes Private Limited
(SSPL)**

June 28, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 70.00 Cr.
Long Term Rating	ACUITE BBB+ Issuer not co-operating*
Short Term Rating	ACUITE A2 Issuer not co-operating*

* Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE BBB+** (read as **ACUITE triple B plus**) and short term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs. 70.00 crore bank facilities of Suncity Strips and Tubes Private Limited (SSPL). This rating is now an indicative rating and is based on best available information.

Suncity Strips and Tubes Private Limited (SSPL) based out of Rajasthan, was incorporated in 2009 by Mr. Mahaveer Agarwal and Mr. Harish Agarwal. SSPL is engaged in manufacturing stainless steel coils, Electric-Resistance-Welded (ERW) pipes and tubes as well as SS circles, tubes and pipes. The company has a manufacturing plant in Jodhpur with an installed capacity of 17000 Metric Tonnes Per Annum.

Analytical Approach

ACUITE has considered the consolidated view of business and financial risk profiles of Suncity Strips and Tubes Private Limited (SSPL), Suncity Sheets Private Limited (SSHPL), Suncity Alloys Private Limited (SAPL), Suncity Metals Private Limited (SMPL) and Suncity Strips Private Limited (SSPL) hereinafter referred as Suncity Group. The consolidation is mainly on account of similarity in the line of business, strong operational & financial synergies, common management and stated intent of management to merge these entities in the near term.

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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Entities in Manufacturing Industries- <https://www.acuite.in/view-rating-criteria-4.htm>
- Consolidation of companies- <https://www.acuite.in/view-rating-criteria-22.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.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)

None

Any other information

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

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
April 09, 2018	Cash Credit	Long Term	24.50	ACUITE BBB+/Stable (Assigned)
	Letter of Credit	Long Term	45.00	ACUITE A2 (Assigned)
	Proposed Bank Facility	Long Term	0.50	ACUITE BBB+/Stable (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not applicable	Not applicable	Not applicable	24.50	ACUITE BBB+ (Indicative)
Letter of Credit	Not applicable	Not applicable	Not applicable	45.00	ACUITE A2 (Indicative)
Proposed Bank Facility	Not applicable	Not applicable	Not applicable	0.50	ACUITE BBB+ (Indicative)

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

Contacts

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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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