

Press Release

Surface Treatment Systems

October 04, 2019

Rating Update



Total Bank Facilities Rated	Rs. 8.00 Cr. #
Long Term Rating	ACUITE BB Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details

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

Acuite has reviewed long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 6.50 crore bank facilities and short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 1.50 crore bank facilities of Surface Treatment Systems. This rating is now an indicative rating and is based on best available information.

Surface Treatment Systems was established in 1990 by Mr. Sadashivaiah. The concern is engaged in manufacturing of chassis parts, engine parts, braking systems, clutch components for automotive sector. It is also having a service unit, which is engaged in powder coating and liquid painting of various automotive components. The concern is located in CIPCOT, Hosur, Tamil Nadu which is at close proximity to many. It is a TIER I supplier to Ashok Leyland Ltd., Luk India Ltd., VST Tillers & Tractors Ltd.

Non-cooperation by the issuer/borrower

Acuite 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 Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite 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

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

Material Covenants

Not Applicable

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
01-Aug-2018	Cash Credit	Long Term	1.00	ACUITE BB / Stable (Assigned)
	Term loans	Long Term	2.23	ACUITE BB / Stable (Assigned)
	Working Capital Term Loan	Long Term	0.80	ACUITE BB / Stable (Assigned)
	Proposed Facility	Long Term	1.22	ACUITE BB / Stable (Assigned)
	Proposed Facility	Long Term	1.25	ACUITE BB / Stable (Assigned)
	Bank Guarantee	Short Term	1.50	ACUITE A4+ (Assigned)

#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	1.00	ACUITE BB Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	2.23	ACUITE BB Issuer not co-operating*
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	0.80	ACUITE BB Issuer not co-operating*
Proposed Facility	Not Applicable	Not Applicable	Not Applicable	1.22	ACUITE BB Issuer not co-operating*
Proposed Facility	Not Applicable	Not Applicable	Not Applicable	1.25	ACUITE BB Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE A4+ 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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