

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.

Acuité 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

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

- 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). Acuité endeavoured 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.

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.

Contacts

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|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
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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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