

## Press Release

### Santhi Casting Works

November 27, 2020



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 23.58 Cr. #
<b>Long Term Rating</b>	ACUITE BB (Downgraded; Issuer not co-operating*)
<b>Short Term Rating</b>	ACUITE A4+ Issuer not co-operating*

# Refer Annexure for details

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

### Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BB+**' (**read as ACUITE double B plus**) and review the short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.23.58 crore bank facilities of Santhi Casting Works (SCW). The rating is flagged as "Issuer Not-Cooperating" on account of information risk.

Santhi Casting Works (SCW) is a Coimbatore-based proprietorship firm established in 1971 by Mr. M. Kandasamy. The firm is engaged in the manufacturing of grey iron (GI) and Spheroidal graphite (SG) castings. The foundry division located at Coimbatore has an installed capacity of 12000 pieces per annum. The firm caters to automobile companies located at Bangalore, Chennai, Coimbatore and Madurai and also has set-up a windmill with an installed capacity of 6.10 MV in Narasimanaickenpalayam, Coimbatore. The windmill energy generated from the unit is utilised for captive consumption and surplus production is sold to the government.

#### 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 non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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)

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.

#### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
05-Sept-2019	Cash Credit	Long Term	10.00	ACUITE BB+/Stable (Upgraded)
	Term Loan	Long Term	4.42	ACUITE BB+/Stable (Upgraded)
	Term Loan	Long Term	5.08	ACUITE BB+/Stable (Upgraded)
	Letter of Credit	Short Term	4.08	ACUITE A4+ (Reaffirmed)
25-Sept-2018	Cash Credit	Long Term	6.00	ACUITE BB Issuer not Co-operating
	Term Loan	Long Term	6.08	ACUITE BB Issuer not Co-operating
	Term Loan	Long Term	7.50	ACUITE BB Issuer not Co-operating
	Letter of Credit	Short Term	4.00	ACUITE A4+ Issuer not Co-operating
04-Sept-2017	Cash Credit	Long Term	6.00	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	6.08	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	7.50	ACUITE BB/Stable (Assigned)
	Letter of Credit	Short Term	4.00	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	10.00	ACUITE BB (Downgraded; Issuer not co-operating*)
Term Loan	Not Available	Not Applicable	Not Available	4.42	ACUITE BB (Downgraded; Issuer not co-operating*)
Term Loan	Not Available	Not Applicable	Not Available	5.08	ACUITE BB (Downgraded; Issuer not co-operating*)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.08	ACUITE A4+ Issuer not co-operating*

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

### Contacts

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### About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,440 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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