

Press Release

Santhi Casting Works

February 25, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	19.50	ACUITE BB- Downgraded Issuer not co-operating*	-
Bank Loan Ratings	4.08	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	23.58	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B Minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reviewed 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. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

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 MW in Narasimanaickenpalayam, Coimbatore. The windmill energy generated from the unit is utilised for captive consumption and surplus production is sold to the government.

About the Group

Not Applicable.

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 the due date.

Acuite 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.

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.

Rating Sensitivity

No information provided by the issuer / available for Acuité to comment upon.

Material Covenants

Not Applicable.

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon.

Outlook

Not Applicable.

Status of non-cooperation with previous CRA

None.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated Acuité Ratings & Research Limited www.acuite.in requests and follow-ups.

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Nov 2020	Cash Credit	Long Term	10.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.42	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	5.08	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	4.08	ACUITE A4+ (Issuer not co-operating*)
05 Sep 2019	Letter of Credit	Short Term	4.08	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Term Loan	Long Term	5.08	ACUITE BB+ Stable (Upgraded from ACUITE BB)
	Term Loan	Long Term	4.42	ACUITE BB+ Stable (Upgraded from ACUITE BB)
25 Sep 2018	Letter of Credit	Short Term	4.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	6.08	ACUITE BB (Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE BB (Issuer not co-operating*)
	Term Loan	Long Term	7.50	ACUITE BB (Issuer not co-operating*)
04 Sep 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)
27 May 2016	Cash Credit	Long Term	6.00	ACUITE BB- Stable (Suspended)
	Term Loan	Long Term	1.96	ACUITE BB- Stable (Suspended)
	Term Loan	Long Term	2.04	ACUITE BB- Stable (Suspended)
	Proposed Long Term Loan	Long Term	3.00	ACUITE BB- Stable (Suspended)
16 Mar 2015	Cash Credit	Long Term	6.00	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	1.96	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	2.04	ACUITE BB- Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	3.00	ACUITE BB- Stable (Reaffirmed)
25 Apr	Cash Credit	Long Term	6.00	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.96	ACUITE BB- Stable (Assigned)
		Long		

2014	Term Loan	Term	2.04	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.50	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.50	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB- Downgraded Issuer not co-operating*
Bank of Baroda	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.08	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	5.08	ACUITE BB- Downgraded Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	31-12-2023	4.42	ACUITE BB- Downgraded Issuer not co-operating*

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 8,850 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 Kanjurmarg, Mumbai.

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