

Press Release

Supreme Heatreaters Private Limited

December 31, 2018



Rating Update

Total Bank Facilities Rated	Rs. 60.65 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 plus**) and short-term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 60.65 crore bank facilities of Supreme Heatreaters Private Limited (SHPL). This rating is now an indicative rating and is based on best available information.

SHPL was established in 1987 at Rabale in Navi Mumbai (Maharashtra) for doing job work of heat treatment services and later commenced manufacturing and processing of wires, bright bars and profiles of stainless and ball bearing steel. In 2007, SHPL set-up an additional division 'Supreme Special Steels' in order to manufacture speciality steels such as Nickel based Superalloys, Duplex & Super-duplex stainless steels and High speed steel; which find application in oil and gas exploration, nuclear energy, defense and petroleum industry.

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

- Manufacturing Entities - <https://www.acuite.in/criteria-manufacturing.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 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

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	120.40	113.06	78.81
EBITDA	Rs. Cr.	11.75	9.64	7.92
PAT	Rs. Cr.	2.42	0.84	0.60
EBITDA Margin	(%)	9.76	8.52	10.05
PAT Margin	(%)	2.01	0.74	0.77
ROCE (%)	(%)	13.08	11.60	12.01
Total Debt/Tangible Net Worth	Times	0.50	0.47	0.42
PBDIT/Interest	Times	1.59	1.37	1.35
Total Debt/PBDIT	Times	2.21	2.27	2.53

Gross Current Assets (Days)	Days	329	266	425
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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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
23-Oct-2017	Cash Credit	Long Term	25.00# (enhanced from Rs. 21.00 crore)	ACUITE BB+/ Stable (Upgraded)
	Term Loan	Long Term	1.65	ACUITE BB+/ Stable (Upgraded)
	Term Loan	Long Term	3.00	ACUITE BB+/ Stable (Upgraded)
	Bank Guarantee	Short Term	1.00 (enhanced from Rs. 0.10 crore)	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	30.00** (enhanced from Rs. 19.25 crore)	ACUITE A4+ (Reaffirmed)
12 July 2016	Cash Credit	Long Term	21.00#	ACUITE BB/ Stable (Assigned)
	Term Loan	Long Term	1.65	ACUITE BB/ Stable (Assigned)
	Term Loan	Long Term	3.00	ACUITE BB/ Stable (Assigned)
	Bank Guarantee	Short Term	0.10	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	19.25	ACUITE A4+ (Assigned)

#includes EPC and FBP as a sublimit of cc to the extent of Rs. 2.00 crore each.

**includes Buyers credit as a sublimit of LC to the extent of Rs. 10.00 crore.

#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	25.00#	ACUITE BB+ Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.65	ACUITE BB+ Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.00**	ACUITE BB+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE A4+ Issuer not co-operating*

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

#includes EPC and FBP as a sublimit of cc to the extent of Rs. 2.00 crore each.

**includes Buyers credit as a sublimit of LC to the extent of Rs. 10.00 crore.

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Salome Farren Analyst - Rating Operations Tel: 02249294025 salome.farren@acuiteratings.in	

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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