

## Press Release

### Supreme Batteries Private Limited

March 06, 2020



### Rating Update

|                                     |  |
|-------------------------------------|--|
| <b>Total Bank Facilities Rated#</b> | Rs.66.00 Cr.   |
| <b>Long Term Rating</b>             | ACUITE D<br>Issuer not co-operating*<br>(Downgraded from ACUITE BBB-/Stable) |
| <b>Short Term Rating</b>            | ACUITE D<br>Issuer not co-operating*<br>(Downgraded from ACUITE A3)          |

#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 D** (read as ACUITE D) from '**ACUITE BBB-**' (read as ACUITE triple B minus) and the short-term rating to '**ACUITE D** (read as ACUITE D) from '**ACUITE A3**' (read as ACUITE A three) on the Rs.66.00 crore bank facilities of Supreme Batteries Private Limited (SBPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

The rating downgrade reflects in inadequacy of the data and the lenders's opinion on the account.

SBPL was incorporated in 2001, and was promoted by Mr. Vimal Kumar Aggarwal, Mr. Anuj Aggarwal and Mr. Ajay Goyal. SBPL commenced its commercial operations in September 2009 and is engaged in the business of manufacture of lead alloys and batteries. SBPL is involved in smelting and refining of Lead Alloy and its allied products such as Pure Lead, Selenium Lead Alloy, Calcium Lead Alloy, Lead Sub Oxide and Red Lead Oxide, among others. SBPL also manufactures lead acid storage batteries. SBPL's facility is located in Hyderabad (Telangana) with an installed capacity to manufacture 18000 metric tonnes per annum (MTPA) of lead alloys and 1.2 lakh units of batteries per annum.

#### 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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with 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 Sector 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  |
|--------------|---------------------------------|------------|-----------------|--|
| 28-June-2018 | Cash Credit                     | Long Term  | 35.00           | ACUITE BBB-/Stable (Assigned)                                  |
|              | Term Loan                       | Long Term  | 2.50            | ACUITE BBB-/Stable (Assigned)                                  |
|              | Letter of Credit                | Short Term | 10.00           | ACUITE A3 (Assigned)   |
|              | Bank Guarantee                  | Short Term | 0.50            | ACUITE A3 (Assigned)   |
| 07-Jan-2019  | Cash Credit                     | Long Term  | 35.00           | ACUITE BBB-/Negative (Reaffirmed; Outlook revised to Negative) |
|              | Term Loan                       | Long Term  | 2.50            | ACUITE BBB-/Negative (Reaffirmed; Outlook revised to Negative) |
|              | Letter of Credit                | Short Term | 10.00           | ACUITE A3 (Reaffirmed)   |
|              | Bank Guarantee                  | Short Term | 0.50            | ACUITE A3 (Reaffirmed)   |
|              | Cash Credit                     | Long Term  | 10.00           | ACUITE BBB-/Negative (Assigned)                                |
|              | Letter of Credit                | Short Term | 8.00            | ACUITE A3 (Assigned)   |

#### # Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate    | Maturity Date  | Size of the Issue (Rs. Crore) | Ratings/Outlook  |
|------------------------|------------------|----------------|----------------|-------------------------------|--|
| Cash Credit            | Not Applicable   | Not Applicable | Not Applicable | 35.00                         | ACUITE D<br>Issuer not co-operating*<br>(Downgraded from ACUITE BBB-/Negative) |
| Term Loan              | 30-06-2017       | Not Applicable | 31-03-2022     | 2.50                          | ACUITE D<br>Issuer not co-operating*<br>(Downgraded from ACUITE BBB-/Negative) |
| Letter of Credit       | Not Applicable   | Not Applicable | Not Applicable | 10.00                         | ACUITE D<br>Issuer not co-operating*<br>(Downgraded from ACUITE BBB-/Negative) |
| Bank Guarantee         | Not Applicable   | Not Applicable | Not Applicable | 0.50                          | ACUITE D<br>Issuer not co-operating*<br>(Downgraded from ACUITE A3)            |
| Cash Credit            | Not Applicable   | Not Applicable | Not Applicable | 10.00                         | ACUITE D<br>Issuer not co-operating*<br>(Downgraded from ACUITE BBB-/Negative) |
| Letter of Credit       | Not Applicable   | Not Applicable | Not Applicable | 8.00                          | ACUITE D<br>Issuer not co-operating*<br>(Downgraded from ACUITE A3)            |

\*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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