

Press Release

Supreme Engineering Limited (Erstwhile Supreme Heatreaters Private Limited)
February 01, 2024



Product	Rating Down (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.65	ACUITE D Downgraded Issuer not co-operating*	-
Bank Loan Ratings	31.00	-	ACUITE D Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	60.65	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE D**' (read as **ACUITE D**) From '**ACUITE BB-**' (read as **ACUITE double B minus**) and the short-term rating to '**ACUITE D**' (read as **ACUITE D**) From '**ACUITE A4+**' (read as **ACUITE A Four Plus**) on the Rs. 60.65 Crore bank facilities of Supreme Engineering Limited (Erstwhile Supreme Heatreaters Private Limited). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

Rationale for Rating Downgrade

Rating Action takes in to account the asset categorization reported by lender in credit bureau.

About the Company

Supreme Engineering Limited was established in 1987 at Rabale in Navi Mumbai (Maharashtra) by Mr. Ratan Praksah Chowdhri, Mr. Sanjay Chowdhri, Mr. Abhinav Chowdhri and Mrs. Lalitha Chowdhri 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, SEL set-up an additional division 'Supreme Special Steels' in order to manufacture speciality steels such as Nickel based Superalloys, Duplex & Superduplex stainless steels and High speed steel; which find application in oil and gas exploration, nuclear energy, defense and petroleum industry.

Unsupported Rating

None

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 unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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 endeavored 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.

Rating Sensitivity

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

Liquidity Position

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

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	18.40	72.78
PAT	Rs. Cr.	(105.17)	(9.15)
PAT Margin	(%)	(571.58)	(12.57)
Total Debt/Tangible Net Worth	Times	(1.38)	2.50
PBDIT/Interest	Times	(81.49)	(1.21)

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Nov 2023	Bank Guarantee	Short Term	1.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	25.00	ACUITE BB- (Issuer not co-operating*)
	Letter of Credit	Short Term	30.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	1.65	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	3.00	ACUITE BB- (Issuer not co-operating*)
22 Aug 2022	Term Loan	Long Term	3.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.65	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	25.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	1.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	30.00	ACUITE A4+ (Issuer not co-operating*)
24 May 2021	Term Loan	Long Term	1.65	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	30.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	3.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	25.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	1.00	ACUITE A4+ (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE D Downgraded Issuer not co-operating*
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	25.00	ACUITE D Downgraded Issuer not co-operating*
Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	30.00	ACUITE D Downgraded Issuer not co-operating*
Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.65	ACUITE D Downgraded Issuer not co-operating*
Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.00	ACUITE D Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Himanshu Mehta Senior Analyst-Rating Operations Tel: 022-49294065 himanshu.mehta@acuite.in	

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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