

October 25, 2024

Snam Abrasives Private Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

| Instrument [^] | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|------------------------------------|-----------------------------------|----------------------------------|---|
| Long Term-Fund Based-Term Loan | 5.34 | 5.34 | [ICRA]B+(CE) (Stable) ; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Long Term- Fund Based- Cash Credit | 10.00 | 10.00 | [ICRA]B+(CE) (Stable) ; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Total | 15.34 | 15.34 | |

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-I

| | |
|--|--|
| Rating Without Explicit Credit Enhancement | Unable to ascertain due to lack of information |
|--|--|

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/ facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/ facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

ICRA has kept the Long-Term rating of Snam Abrasives Private Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+(CE) (Stable); ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Snam Abrasives Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable Rating Methodologies | Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology |
| Parent/Group Support | NA |
| Consolidation/Standalone | Standalone |

About the company

Incorporated in 1979, SNAM Abrasives Private Limited is involved in manufacturing of silicon carbide abrasive grains. The company's manufacturing units are located in Hosur in Tamil Nadu and Attibele in Karnataka. The products are sold both in

the domestic and international markets, including Sri Lanka, Iran, Egypt, Malaysia, the United States of America and United Kingdom. SAPL has a wholly-owned subsidiary, Vietnam Abrasives Company Limited, which is involved in manufacturing of silicon carbide lumps. The other Group companies include SNAM Micro Abrasives Private Limited, which was incorporated in 1984 and is involved in manufacturing of silicon carbide micro abrasive grains, and SNAM Alloys Private Limited, which was incorporated in 1988 and is involved in manufacturing ferro silicon and ferro silicon-based inoculants.

Key financial indicators

| | FY2022 | FY2023 |
|--|--------|--------|
| Operating income | 89.8 | 129.3 |
| PAT | 5.0 | 9.2 |
| OPBDIT/OI | 9.0% | 11.1% |
| PAT/OI | 5.5% | 7.1% |
| Total outside liabilities/Tangible net worth (times) | 0.8 | 0.5 |
| Total debt/OPBDIT (times) | 2.4 | 1.0 |
| Interest coverage (times) | 7.7 | 6.1 |

OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation
Source – MCA

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

| Instrument | Type | Amount Rated (Rs. Crore) | Current Rating (FY2025) | Chronology of Rating History for the past 3 years | | | | | |
|--------------------------|-----------|--------------------------|--|---|--|-----------|--|-----------|--|
| | | | Date & Rating in | FY2024 | | FY2023 | | FY2022 | |
| | | | 25-Oct-2024 | Date | Rating | Date | Rating | Date | Rating |
| 1 Fund Based-Term Loan | Long Term | 5.34 | [ICRA]B+ (CE) (Stable); ISSUER NOT COOPERATING | 31-Aug-23 | [ICRA]B+ (CE) (Stable); ISSUER NOT COOPERATING | 29-Jun-22 | [ICRA]B+ (CE) (Stable); ISSUER NOT COOPERATING | 05-Apr-21 | [ICRA]B+ (CE) (Stable); ISSUER NOT COOPERATING |
| 2 Fund Based-Cash Credit | Long Term | 10.00 | [ICRA]B+ (CE) (Stable); ISSUER NOT COOPERATING | 31-Aug-23 | [ICRA]B+ (CE) (Stable); ISSUER NOT COOPERATING | 29-Jun-22 | [ICRA]B+ (CE) (Stable); ISSUER NOT COOPERATING | 05-Apr-21 | [ICRA]B+ (CE) (Stable); ISSUER NOT COOPERATING |

Complexity level of the rated instrument

| Instrument | Complexity Indicator |
|-------------|----------------------|
| Term Loan | Simple |
| Cash Credit | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

| ISIN No | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (RS Crore) | Current Rating and Outlook |
|---------|-----------------|-----------------------------|-------------|---------------|-------------------------|--|
| NA | Term Loan | October 22, 2014 | - | FY2023 | 5.34 | [ICRA]B+(CE) (Stable) ; ISSUER NOT COOPERATING |
| NA | Cash Credit | - | - | - | 10.00 | [ICRA]B+(CE) (Stable) ; ISSUER NOT COOPERATING |

Source: Snam Abrasives Private Limited

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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