

September 24, 2021

Superfine Aluminium Technologies Pvt.Ltd.: Rating downgraded to [ICRA]D from [ICRA]BB(Stable)

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based – Term Loan	98.0	98.0	[ICRA]D downgraded from [ICRA]BB(Stable)
Total	98.0	98.0	

*Instrument details are provided in Annexure-1

Rationale

The revision of ratings factors in delays by Superfine Aluminium Technologies Pvt. Ltd. (SATPL) in meeting its debt obligations in a timely manner as a result of a delay in project implementation. ICRA in its earlier release has stated that timely commencement of commercial operations by July 2021 would remain critical from the credit perspective. However, the project has still not commenced commercial operations.

Key rating drivers and their description

Credit strengths

Extensive track record of the promoters of Superfine Group in the aluminium extrusion business - SATPL is promoted by CA. Ravindra Katariya and CA. Siddharth Katariya and is also the part of the Ahmednagar (Maharashtra) based Superfine Group. The Katariya family has an extensive presence in the aluminium industry with a track record of over 20 years through Group companies, Superfine Metals Private Limited, Superfine Extrusions Private Limited and Superfine Profile and Extrusions Private Limited. The promoter Group's rich experience has enabled it to establish healthy relationships with its various reputed customers and suppliers.

Credit challenges

Delay in debt-servicing – SATPL has not met its debt obligation in a timely manner due to a delay in project implementation.

Delay in project implementation - SATPL was initially slated to commence commercial operations from April 2018. However, delays in arranging the foreign funding for its machinery led to postponement of the scheduled date. As per the last schedule, SATPL was expected to commence commercial operations from July 2021, however the project has still not commenced operations.

Liquidity position: Poor

The liquidity of SATPL is Poor as evidenced by the delay in it meeting its debt obligations on a timely manner.

Rating sensitivities

Positive factors – The rating could be upgraded if the company is able to timely service its debt obligations on a sustained basis.

Negative factors – Not applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Primary Non-Ferrous Metals Manufacturers
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone financials are considered

About the company

Incorporated in 2015, Superfine Aluminium Technologies Pvt. Ltd is in the process of installing India's first double action aluminium extrusion press with a force of 5,500 meganewton. Through the planned extrusion line, SATPL intends to manufacture specialised aluminium seamless tube products of 15-inch diameter and 20-inch width suited for defence, high rise civil structures, metrorail among others. SATPL is part of the Ahmednagar (Maharashtra) based Superfine group promoted by CA. Ravindra Katariya & CA. Siddharth Katariya.

Key financial indicators (audited): Not applicable as this is a project company

Status of non-cooperation with previous CRA: Not applicable

Any other information: Superfine Metals Private Limited has provided a corporate guarantee to the Rs. 98.00-crore bank lines availed by SATPL.

Rating history for past three years

Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
	Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2021 (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019	
				Sep 24, 2021				
1 Fund based Term Loan	Long-term	98.0	37.4*	[ICRA]D	[ICRA]BB(Stable)	-	-	

Amount in Rs. Crore; *as on March 31, 2020

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-based – Term Loan	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 analyzing 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: www.icra.in

Annexure-1: Instrument details

ISIN No/Banker Name	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund based – Term Loan	FY2017- FY2018	11%	FY2030	98.0	[ICRA]D

Source: SATPL

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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