

Press Release

Preet Machines Limited

12 April, 2018

Rating Update



| | |
|--------------------------------------|---------------------------------------|
| Total Bank Facilities Rated* | Rs.24.50 Cr |
| Long Term Rating (Indicative) | SMERA BB+ Issuer not co-operating* |
| Short Term Rating(Indicative) | SMERA A4+ Issuer not co-operating* |

Refer Annexure for details

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

SMERA has reviewed the long term rating of '**SMERA BB+** (read as SMERA double B plus) and **short term rating of SMERA A4+ (read as SMERA A four plus)** on the Rs.24.50 crore bank facilities of Preet Machines Limited. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

SMERA 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 SMERA's policies.

Applicable Criteria

- Default Recognition - <https://www.smerra.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smerra.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smerra.in/criteria-fin-ratios.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). SMERA endeavoured to gather information about the entity/ industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

PML incorporated in 2001 by Mr. Chauhan and family is engaged in the manufacturing and commissioning of hot rolling mill plants. The company also installs components and machinery for ReBarRolling mill, TMT Bar Mill, Section Rolling Mill among others. The manufacturing facilities are located at Ghaziabad. For FY2015-16, the company reported profit after tax (PAT) of Rs.2.04 crore on operating income of Rs.105.86 crore, as compared with PAT of Rs.2.09 crore on operating income of Rs.128.30 crore in FY2014-15. The net worth stood at Rs.31.17 crore in FY2015-16 against Rs.29.13 crore a year earlier.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|-----------|------------------|-------------------------------|
| 15-Mar-2017 | Cash credit | Long Term | INR 14.50 | SMERA BB+ / Stable (Assigned) |
| | PC/PCFC | Long Term | INR 10.00 | SMERA A4+ (Assigned) |

#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 | INR 14.50 | SMERA BB+ Issuer not co-operating* |
| PC/PCFC | Not Applicable | Not Applicable | Not Applicable | INR 10.00 | SMERA A4+ Issuer not co-operating* |

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

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|--|---|
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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities, and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits etc.. For more details, please visit www.smera.in.

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