

## Press Release

### Preet Machines Limited

September 28, 2020



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs.24.50 Cr.#
<b>Long Term Rating</b>	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ Issuer not co-operating*

\*Refer Annexure for details

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

Acuité has downgraded the long term rating to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BB+**' (**read as ACUITE double B plus**) and the short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) from Rs.24.50 crore bank facilities of Preet Machines Limited (PML).The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

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 Re-Bar Rolling mill, TMT Bar Mill and Section Rolling Mill among others. The manufacturing facilities are located at Ghaziabad (Uttar Pradesh). For FY2015-16, the company reported a profit after tax (PAT) of Rs.2.04 crore on an operating income of Rs.105.86 crore, as compared with PAT of Rs.2.09 crore on an 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.

#### 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 the due date.

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

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing 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 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.

#### 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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
09-July-19	Cash Credit	Long term	14.50	ACUITE BB+/Stable Issuer not co-operating*
	Packing Credit	Short term	10.00	ACUITE A4+ Issuer not co-operating*
12-Apr-18	Cash Credit	Long term	14.50	ACUITE BB+/Stable Issuer not co-operating*
	Packing Credit	Short term	10.00	ACUITE A4+ Issuer not co-operating*
15-Apr-17	Cash Credit	Long term	14.50	ACUITE BB+/ Stable (Assigned)
	Packing Credit	Short term	10.00	ACUITE A4+ (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	14.50	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Packing Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ Issuer not co-operating*

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

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### About Acuité Ratings & Research:

Acuité Ratings & Research 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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