Press Release

Preet Machines Limited

March 16, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	14.50	ACUITE BB- | Reaffirmed | Issuer not co-operating*	-
Bank Loan Ratings	10.00	-	ACUITE A4+ | Reaffirmed | Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	24.50	-	-

Rating Rationale

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

About the Company

Preet Machines Limited (PML) incorporated in 2001 in Delhi 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.
Acuité 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 Acuité'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."

Material Covenants
Not Applicable

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

Outlook
Not Applicable

Other Factors affecting Rating
Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	206.43	57.13
PAT	Rs. Cr.	12.52	6.10
PAT Margin	(%)	6.06	10.67
Total Debt/Tangible Net Worth	Times	0.17	0.60
PBDIT/Interest	Times	21.59	8.67

Status of non-cooperation with previous CRA
Not Applicable

Any other information
Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria
• 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. Acuite' 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
21 Dec 2021	Cash Credit	Long Term	14.50	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	10.00	ACUITE A4+ (Issuer not co-operating*)
28 Sep 2020	Cash Credit	Long Term	14.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	10.00	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
Punjab and Sind Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	14.50	ACUITE BB- | Reaffirmed | Issuer not co-operating*
Punjab and Sind Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4+ | Reaffirmed | Issuer not co-operating*

Contacts

Analytical	Rating Desk
Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.