

Press Release

Pan India Utilities Distribution Company Limited

November 23, 2018

Rating Update



Total Bank Facilities Rated*	Rs.335.00 Cr.
Long Term Rating	ACUITE BBB (Under rating watch with developing implications)

* Refer Annexure for details

Rating Rationale

Acuite has placed the long rating of **'ACUITE BBB' (read as ACUITE triple B)** on Rs.335.00 crore bank facilities of Pan India Utilities Distribution Company Limited (PIUDCL) on **'Rating watch with developing implications'**.

Acuite has placed PIUDCL's rating on watch following the recent announcement by the promoters of Essel group stating their intentions to dilute 50 percent of the total promoter holding in Zee Entertainment Enterprises Limited (ZEEL), the flagship entity of Essel group. However, adequate clarity on the transaction is yet to emerge. Acuite currently is in discussions with the management of the Essel Group to understand the implications of these developments on the financial flexibility of the promoters and subsequently on PIUDCL's business and financial risk profile.

Pan India Utilities Distribution Company Limited (PIUDCL), incorporated in 2012, is a Mumbai-based EPC contractor for Essel group's wind and solar power projects. The company is a wholly owned subsidiary of Pan India Infraprojects Private Limited (PIIPL) and part of the Essel Group promoted by Mr. Subash Chandra. As per the arrangement, the SPVs of Essel Infraprojects Limited (EIL), a flagship company of the Essel group in the infrastructure sector, will bid for projects. The awarded projects will be subcontracted (entire or part of it) to PIUDCL which in turn will subcontract to third parties.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the PIUDCL and subsequently factored in support from the Essel Group to arrive at this rating.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	285.01	91.60	126.16
EBITDA	Rs. Cr.	41.56	34.34	26.70
PAT	Rs. Cr.	1.61	1.47	1.39
EBITDA Margin	(%)	14.58	37.49	21.16
PAT Margin	(%)	0.56	1.61	1.10
ROCE	(%)	8.17	8.22	10.73
Total Debt/Tangible Net Worth	Times	6.52	5.65	3.89
PBDIT/Interest	Times	1.07	1.09	1.06
Total Debt/PBDIT	Times	11.27	11.70	7.50
Gross Current Assets (Days)	Days	445	1576	837

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
30-Dec-17	Term loans	Long Term	215.00	ACUITE BBB/Stable (Reaffirmed)
	Term loans	Long Term	120.00	ACUITE BBB/Stable (Assigned)
06-Apr-17	Term loans	Long Term	215.00	ACUITE BBB/Stable (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
Term loans	Not Applicable	Not Applicable	Not Applicable	215.00	ACUITE BBB (Under rating watch with developing implications)
Term loans	Not Applicable	Not Applicable	Not Applicable	120.00	ACUITE BBB (Under rating watch with developing implications)

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (*erstwhile SMERA Ratings 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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