

Press Release
Pan India Network Infravest Limited

November 23, 2018

Rating Update



Total Bank Facilities Rated*	Rs.960.00 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.960.00 crore bank facilities of Pan India Network Infravest Limited (PINIL) on '**Rating watch with developing implications**'.

Acuite has placed the PINIL's rating on watch following 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) as per the letter submitted to stock exchange. However, sufficient clarity on the transaction is yet to emerge. Acuite currently is in discussions with the management to understand the implications of these developments on the financial flexibility of the promoters and subsequently on the PINIL's business and financial risk profile.

Pan India Network Infravest Limited (PINIL) incorporated in 2001 is a Mumbai-based Engineering, Procurement and Construction (EPC) contractor for Essel group's hydro power, water distribution and Municipal Solid Waste (MSW) disposals projects. PINIL holds ~82 per cent stake in Essel Infraprojects Limited (EIL), a flagship company of the Essel group.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the PINIL 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.	35.87	3.53	2.95
EBITDA	Rs. Cr.	8.52	(1.61)	(0.60)
PAT	Rs. Cr.	(14.05)	(2.31)	0.98
EBITDA Margin	(%)	23.75	(45.76)	(20.23)
PAT Margin	(%)	(39.17)	(65.46)	33.12
ROCE	(%)	0.48	0.01	0.03
Total Debt/Tangible Net Worth	Times	0.34	0.20	0.27
PBDIT/Interest	Times	0.79	0.28	25.37
Total Debt/PBDIT	Times	55.40	1,153.14	965.36
Gross Current Assets (Days)	Days	7,687	1,826	1,566

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
05-Jul-18	Term loans	Long Term	510.00	ACUITE BBB/Stable (Reaffirmed)
	Term loans	Long Term	450.00	ACUITE BBB/Stable (Reaffirmed)
07-Apr-17	Term loans	Long Term	510.00	ACUITE BBB/Stable (Assigned)
	Term loans	Long Term	450.00	ACUITE BBB (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	510.00	ACUITE BBB (Under rating watch with developing implications)
Term loans	Not Applicable	Not Applicable	Not Applicable	450.00	ACUITE BBB (Under rating watch with developing implications)

Contacts

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in Avadhoot Mane Senior Analyst - Rating Operations Tel: 022-49294022 avadhoot.mane@acuiterratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité 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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