

Press Release

Precision Infratech Limited

October 10, 2018

Rating Update



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|------------------------------------|--|
| Total Bank Facilities Rated | Rs. 85.00 Cr. # |
| Long Term Rating | ACUITE BB+ Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ Issuer not co-operating* |

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs. 85.00 crore bank facilities of Precision Infratech Limited (PIL). This rating is now an indicative rating and is based on best available information.

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 due date.

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

Applicable Criteria

Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>

Default Recognition- <https://www.acuite.in/view-rating-criteria-17.htm>

Limitation regarding information availability: The rating is based on information available from sources other than issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured 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:

Precision Infratech Ltd (PIL), erstwhile Precision Technofab & Engineering Limited, is an engineering firm that undertakes turnkey contracts (design, fabrication, supply, erection & commissioning of steel structural work) for hydro mechanical equipment installations in India as well as abroad. The Ahmedabad-based company caters to the irrigation and power sectors in India and neighbouring countries.

For FY2016-17 (Provisional), the company registered profit after tax (PAT) of Rs.2.25 crore on operating income of Rs.67.62 crore as against net profit after tax of Rs.1.37 crore on operating income of Rs.85.11 crore in the previous year. The net worth stood at Rs.44.31 crore as on 31 March, 2017 (Provisional) as compared to Rs.42.07 crore as on 31 March, 2016.

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

CRISIL, vide its press release dated August 27, 2018 had denoted the rating of Precision Infratech Limited as „CRISIL BB+/Stable/CRISIL A4+; ISSUER NOT COOPERATING" on account of lack of adequate information required for monitoring of ratings. The earlier rating, however, stood at „CRISIL BBB-/Negative/CRISIL A3" vide its press release dated May 29, 2017.

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 (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Crore) | Ratings/Outlook |
|-------------|-------------------------------------|------------|--------------------|-------------------------------|
| 25-Sep-2017 | Cash Credit | Long Term | 11.50 | ACUITE BB+/ Stable (Assigned) |
| | Letter of credit | Short Term | 15.00 | ACUITE A4+ (Assigned) |
| | Bank guarantee/ letter of guarantee | Short Term | 55.00 | ACUITE A4+ (Assigned) |
| | Proposed | Short Term | 3.50 | 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 | 11.50 | ACUITE BB+ Issuer not co-operating* |
| Letter of credit | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE A4+ Issuer not co-operating* |
| Bank guarantee/letter of guarantee | Not Applicable | Not Applicable | Not Applicable | 55.00 | ACUITE A4+ Issuer not co-operating* |
| Proposed | Not Applicable | Not Applicable | Not Applicable | 3.50 | ACUITE A4+ Issuer not co-operating* |

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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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