

Press Release

Prime Meiden Limited

September 22, 2020

Rating Update



Total Bank Facilities Rated*	Rs.25.00 Cr.#
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A1+(CE)) Issuer not co-operating*

#Refer Annexure for details

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

Acuite has downgraded the short-term rating to '**ACUITE A4+**' (read as **ACUITE A-four Plus**) from "**ACUITE A1+(CE)**" (read as **ACUITE A one plus (Credit Enhancement)**) on the Rs. 25.00 Crore bank facilities of Prime Meiden Limited (PML). This rating is now an indicative rating and is based on the best available information.

Reason for Downgrade

The rating downgrade is on account of information risk and Acuite has not factored in credit enhancement.

About the Company

Prime Meiden Ltd (PML) is an Indo-Japanese joint venture company of the Prime Group and Meidensha Corporation. The group is virtually present in every major sector of the economy such as power and energy, aviation, space, railways, defence, IT, infrastructure, industries including automobile & metallurgical industry, petroleum, oil, gas, steel, fertilizers and shipbuilding etc. PML is in the business of manufacturing Extra Heavy transformers up to 765 kV in Special Economic Zone (SEZ), Naidupeta, district Nellore (AP).

Non-cooperation by the issuer/borrower: Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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 Acuite'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>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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 attempts.

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

None

Any other information

Acuite 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
02-July-2019	Letter of Credit	Short Term	8.01	ACUITE A1+ (CE) (Reaffirmed)
	Bank Guarantee	Short Term	8.01*	ACUITE A1+ (CE) (Reaffirmed)
	Proposed Bank Facility	Short Term	16.99	ACUITE A1+ (CE) (Reaffirmed)
06-June-2019	Letter of Credit	Short Term	13.00	ACUITE A1+ (CE) (Reaffirmed)
	Bank Guarantee	Short Term	12.00	ACUITE A1+ (CE) (Reaffirmed)
04-April-2018	Letter of Credit	Short Term	13.00	ACUITE A1+ (CE) (Assigned)
	Bank Guarantee	Short Term	12.00	ACUITE A1+ (CE) (Assigned)

*The facilities bank guarantee and letter of credit are interchangeable to the amount of Rs.8.01.

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	8.01	ACUITE A4+ (Downgraded from ACUITE A1+(CE)) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	8.01*	ACUITE A4+ (Downgraded from ACUITE A1+(CE)) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	16.99	ACUITE A4+ (Downgraded from ACUITE A1+(CE)) Issuer not co-operating*

*The facilities bank guarantee and letter of credit are interchangeable to the amount of Rs.8.01.

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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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