

Press Release

Precise Technologies

July 13, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 5.25 Cr.
Long Term Rating	ACUITE D

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE D**' (**read as ACUITE D**) on the Rs. 5.25 crore bank facilities of Precise Technologies.

The Maharashtra-based, Precise Technologies (PT), a partnership firm was established in 2017 by Mr. Kshitij Zavare. The firm is engaged in processing of fuel oil out of waste plastic. The firm caters to industrial companies for the sale of oil. The firm has set up manufacturing unit at Supa, Ahmednagar and has an installed capacity of 12 tonnes per day which generates 6000 liters of oil per day.

Key Rating Drivers

Strengths

- **Experienced Management**

The firm was established in 2017 by Mr. Kshitij Zavare who possesses experience of more than a decade in this industry. Going forward, the firm is expected to benefit from the relationship of the partners with the customers and suppliers. PT has current orders of Rs. 2.50 crore in hand for FY2019

Weaknesses

- **Ongoing delays in repaying debt obligation**

The company's banking account conduct is irregular. There are ongoing delays of interest and principal repayment for the term loan.

- **Highly fragmented nature of industry**

The firm will be engaged in processing of fuel oil out of waste plastic with moderate competition from unorganized segment. This will lead to low bargaining power over pricing and further would cap the growth and margins of the firm. Also, government interventions with new policies regarding its raw material i.e. plastic can also affect the margins.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of the PT to arrive at this rating.

Outlook:

About the Rated Entity - Key Financials

	Unit
Operating Income	Rs. Cr.
EBITDA	Rs. Cr.
PAT	Rs. Cr.
EBITDA Margin	(%)
PAT Margin	(%)
ROCE	(%)
Total Debt/Tangible Net Worth	Times
PBDIT/Interest	Times
Total Debt/PBDIT	Times

Gross Current Assets (Days)	Days
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Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Note on complexity levels of the rated instrument

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

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.60	ACUITE D
Term loans	Not Applicable	Not Applicable	Not Applicable	4.62	ACUITE D
Proposed	Not Applicable	Not Applicable	Not Applicable	0.03	ACUITE D

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About Acuité Ratings & Research:

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