



Press Release

Pinaka Aerospace Solutions Private Limited

July 31, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	18.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	25.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from **ACUITE BBB+** (Read as **ACUITE Triple B Plus**) and the short term rating to **ACUITE A4+** (read as **ACUITE A four plus**) from **ACUITE A2** (Read as **ACUITE A two**) on the Rs 25.00 crore bank facilities of Pinaka Aerospace Solutions Private Limited. This rating is now an indicative rating and is based on best available information. The downgrade is on account of information risk.

About the Company

Pinaka Aerospace Solutions Pvt. Ltd (PAS), established in the year 2007 and based out of Bangalore, is an Integrated Systems and Solutions Provider in the field of avionics and Aerospace technologies such as Electronic Warfare, Radar, communication Systems, Simulators and Automatic Test Equipment. It is promoted by Mrs. Radhika Pasumathi (Managing Director) and Mr. Subodh Sharma (CEO). It majorly supplies to Indian Armed Forces (Army, Air force, Navy), Defence Research and Development Organisation (DRDO) laboratories, PSUs like Bharat Electronics Ltd (BEL), Hindustan Aeronautical Ltd (HAL) amongst others.

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 noncooperation by the issuer along with 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.

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 endeavoured 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.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	17.27	53.55
PAT	Rs. Cr.	1.03	7.34
PAT Margin	(%)	5.96	13.71
Total Debt/Tangible Net Worth	Times	0.17	0.43
PBDIT/Interest	Times	2.16	11.65

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 May 2022	Cash Credit	Long Term	7.00	ACUITE BBB+ Stable (Reaffirmed)
	Bank Guarantee	Short Term	18.00	ACUITE A2 (Reaffirmed)
16 Feb 2021	Proposed Bank Guarantee	Short Term	5.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	12.50	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	2.50	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	2.50	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	2.50	ACUITE BBB+ Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	18.00	ACUITE A4+ Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	7.00	ACUITE BB+ Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Suman Paul Analyst-Rating Operations Tel: 022-49294065 suman.paul@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.