

January 27, 2021

Prime Urban Development India Ltd: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term and short-term fund based limits	21.00	21.00	[ICRA]B-(Stable)/[ICRA]A4; Withdrawn
Total	21.00	21.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Prime Urban Development India Ltd (PUDIL) and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Incorporated in 1936, Prime Urban Development India Limited was involved in cotton yarn manufacturing and trading. From FY2008, the company ventured into the real estate sector and stopped manufacturing cotton yarn. However, it is still involved in trading of cotton yarn and exports to various markets like Bangladesh, China, Pakistan and Egypt. In the real estate segment, PUDIL owns land parcels in Kotagiri, which are being developed and are to be sold. Also, it has taken up a residential project at Coimbatore for the construction and sale of 20 apartments. Both the projects were executed by Special Purpose Vehicles (SPVs). The company has completed a housing project of 386 apartments and an independent luxury villa project in Tamil Nadu. PUDIL's registered office is in Tirupur (Tamil Nadu), while it has a marketing office in Mumbai. The company is listed on the Bombay Stock Exchange (BSE).

Key financial indicators

PUDIL Consolidated	FY2019 Audited	FY2020 Audited	H1FY2021* Unaudited
Operating Income (Rs. crore)	151.89	53.42	2.19
PAT (Rs. crore)	(2.60)	(7.60)	0.14
OPBDIT/OI (%)	0.95%	-11.37%	53.81%
RoCE (%)	2.77%	-12.16%	4.75%
Total Outside Liabilities/Tangible Net Worth (times)	6.29	10.71	10.39
Total Debt/OPBDIT (times)	22.41	(5.66)	15.46
Interest Coverage (times)	0.37	(2.70)	1.38
DSCR (times)	0.10	(1.99)	1.35

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ROCE: PBIT/Avg (Total Debt + Tangible Net Worth + Deferred Tax Liability - Capital Work in Progress); DSCR: (PBIT + Mat Credit Entitlements - Fair Value Gains through P&L - Non-cash Extraordinary Gain/Loss)/(Interest + Repayments made during the Year)

*For the period April 1, 2020 to September 30, 2020

Status of non-cooperation with previous CRA: India Ratings and Research (Ind-Ra), vide its press release dated July 20, 2020, has mentioned that PUDIL did not participate in the rating surveillance exercise despite continuous requests and follow-ups by the agency. Thus, Ind-Ra downgraded the long-term rating assigned to the bank facilities of PUDIL to IND B- (from IND B+) and reaffirmed the short-term rating at IND A4. Simultaneously, the ratings were migrated to the non-cooperating category. The ratings are now denoted as IND B-/IND A4 ISSUER NOT COOPERATING.

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)					Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding	Date & Rating in FY2021		Date & Rating in FY2020	Date & Rating in FY2019	Date & Rating in FY2018
					January 27, 2021	April 17, 2020			
1	Packing Credit/PCFC	Long-term	5.00	-	[ICRA]B-(Stable)/[ICRA]A4; Withdrawn	[ICRA]B-(Stable)	-	-	-
2	Standby PC limit	Long-term and short term	1.00	--	[ICRA]B-(Stable)/[ICRA]A4; Withdrawn	[ICRA]B-(Stable)/[ICRA]A4	-	-	-
3	EBN/EBRD	Long-term and short term	15.00	-	[ICRA]B-(Stable)/[ICRA]A4; Withdrawn	[ICRA]B-(Stable)/[ICRA]A4	-	-	

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Packing Credit/PCFC	-	-	-	5.00	[ICRA]B-(Stable)/[ICRA]A4; Withdrawn
NA	Standby PC limit	-	-	-	1.00	[ICRA]B-(Stable)/[ICRA]A4; Withdrawn
NA	EBN/EBRD	-	-	-	15.00	[ICRA]B-(Stable)/[ICRA]A4; Withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis: Not applicable

ANALYST CONTACTS

K. Ravichandran

+91 44 4596 4301

ravichandran@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

Rupa Pandey

+91 22 6114 3456

rupa.pandey@icraindia.com

Srideep Datta

+91 22 6114 3451

srideep.datta@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50



Branches



© Copyright, 2021 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.