June 26, 2020

Popular Foundations Private Limited : Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

Summary of Rated Instrument:

Instruments	Previous Rated Amount (Rs. Crore)	Current Rated Amount (Rs. Crore)	Rating Action
Long Term- Fund Based Facilities- Cash Credit	5.50	5.50	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating Downgraded from [ICRA]BB-(Stable) and Continues to remain under 'Issuer Not Cooperating' category
Total	**5.50**	**5.50**	

*Issuer did not co-operate; based on best available information

Rationale

The rating is downgraded because of lack of adequate information regarding Popular Foundations Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Popular Foundations Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: Click here

.Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation / Standalone	Standalone

About the company:

Popular Foundations Private Limited was established in 1998 by Mr. Venaktesh who is the managing director of the company. PFPL undertakes contracts in the construction segment with an experience of over two decades in the construction industry in Chennai, Tamil Nadu. The company undertakes construction of civil structures such as colleges, schools, factories, hotels and other commercial buildings.

Key Financial Indicators:

Fiscal	FY2018	FY2019
	(Audited)	(Audited)
Operating Income (Rs. Crore)	28.1	27.4
PAT (Rs. Crore)	0.7	1.1
OPBIT/ OI (%)	9.1%	(0.5%)
RoCE (%)	11.7%	11.9%
Total Debt/ TNW (times)	0.8	0.9
Total Debt/ OPBDIT (times)	3.7	(85.3)
Interest coverage (times)	1.6	(0.1)
NWC/ OI (%)	67.9%	67.5%

Source: MCA Site

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for past three years

S. No.	Instrument	Current Rating (FY2021)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs.Crore)	Amount Outstanding (Rs.Crore)	Date & Rating	Date & Rating in FY2020	Date & Rating in FY2019	Date & Rating in FY2018
					26-Jun-20	-	29-Mar-19	11-Sep-17
1	Fund Based Facilities - Cash Credit	Long Term	5.50	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING

**Issuer did not cooperate; based on best available information.*

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 www.icra.in

Annexure-1

Instrument Details

ISIN No	Instrument	Type	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based Facilities-Cash Credit	Long-term	-	-	-	5.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Source: Popular Foundations Private Limited

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

Analyst Contacts

Ravichandran K
+91 44 4596 4301
ravichandran@icraindia.com

Srinivasan R
+91 44 4596 4315
r.srinivasan@icraindia.com

Sahabuddin Khan
+91 033 7150 1129
sahabuddin.khan@icraindia.com

Sruthi Vinesh
+91 080 4922 5513
sruthi.vinesh@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

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

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

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
Ahmedabad	+ (91 79) 2658 4924/5049/2008
Hyderabad	+ (91 40) 2373 5061/7251
Pune	+ (91 20) 2556 0194/ 6606 9999