

January 31, 2020

Prachay Capital Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
CC Facility	12.50	0.00	[ICRA]BB+ (CE) (Stable); withdrawn
Term Loan	12.50	0.00	[ICRA]BB+ (CE) (Stable); withdrawn
Total	25.00	0.00	

*Instrument details are provided in Annexure-1

Rationale

The rating has been withdrawn in accordance with ICRA's Policy on Withdrawal and Suspension of Credit Rating and as desired by the company. While the instruments have not been fully redeemed, the no objection certificate for withdrawal of ratings from the lender has been received. The rating was based on the unconditional corporate guarantee extended by Mantra Properties and Developers Private Limited [MPDPL (rated [ICRA]BB+(Stable))]. However, in absence of incremental information from the company, since the last rating exercise, there is no further update on the changes in credit risk thereof.

Link to the previous rating rationale: [Past Rating Rationales](#)

Key rating drivers and their description

Credit strengths

Not Applicable

Credit challenges

Not Applicable

Liquidity position: Not Applicable

Rating sensitivities

Not Applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating ICRA's Approach for rating debt instruments backed by third-party explicit support
Parent/Group Support	Parent/Group Company: NA The rating is based on the unconditional and irrevocable corporate guarantee from MPDPL
Consolidation/Standalone	The rating is based on the standalone financials of PCPL

About the company

Prachay Capital Private Limited (PCPL; formerly known as Pracaya Financial Services Private Limited) is a registered non-banking financial company (NBFC) with the Reserve Bank of India vide Certificate No. N-13. 02198 dated August 11, 2017. PCPL is headquartered in Pune, Maharashtra and functions as a localized NBFC providing secured short and medium-term funding to small regional businesses, mostly real estate developers.

The company reported a profit after tax (PAT) of Rs 1.21 crore in FY2019 on a managed asset base of Rs. 37.88 crore as on March 31, 2019 vis-à-vis PAT of Rs. 0.30 crore in FY2018 on a managed asset base of Rs. 13.19 crore as on March 31, 2018. The company had NIL gross and net NPAs as on March 31, 2019 while capital adequacy was 26.68%.

Key financial indicators (audited)

	FY2018	FY2019
Total Income (Rs. crore)	0.87	4.65
Profit after Tax (Rs. crore)	0.30	1.21
Net Worth (Rs. crore)	4.30	10.01
Loans and Advances (Rs. crore)	10.65	36.98
Gearing (times)	2.03	2.72

All ratios as per ICRA calculations

About the guarantor

Mantra Properties and Developers Private Limited is a holding company of the Mantra Group's real estate business. The Mantra Group is promoted by the family of Late Puranchand Kishorilal Gupta. The Group entered into the real estate business in 2006 and has completed the development of around 1.9 mn sqft of area over the last decade. It has around 4.7 mn sqft of area under development at present. The Group is now developing 11 residential real-estate projects in Pune, with each project being developed through a separate SPV.

Key financial indicators

	FY2017	FY2018
Operating Income (Rs. crore)	18.5	39.1
PAT (Rs. crore)	6.0	19.3
OPBDIT/OI (%)	38.2%	49.6%
RoCE (%)	10.5%	22.7%
Total Debt/TNW (times)	12.0	-21.1*
Total Debt/OPBDIT (times)	10.4	5.0
Interest Coverage (times)	7.3	316.8

Source: MPDPL, ICRA research; All ratios as per ICRA calculations

* Tangible net-worth was negative in FY2018 on account of reversal of revaluation reserve created in one of the investee firm's accounts

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S · N o ·	Instrum ent	Current Rating (FY2020)						Chronology of Rating History for the Past 3 Years			
		Type	Amount Rated (Rs. crore)	Amou nt Outsta nding (Rs. crore)	Date & Rating			Date & Rating in FY2019		Date & Rating in FY2018	Date & Rating in FY2017
					31-Jan-20	20-Aug-19	05-Aug-19	05-Oct-18	29-Jun-18		
1	Fund-based CC facility	Long Term	12.50	12.50	[ICRA]B B+(CE) (Stable) ; withdrawn	[ICRA]B B+(SO) (Stable)	[ICRA]B B+(SO) (Stable)	[ICRA]B BB- (SO) (Stable)	Provisional [ICRA]BBB- (SO) (Stable)	-	-
2	Term loans	Long Term	12.50	12.50	[ICRA]B B+(CE) (Stable) ; withdrawn	[ICRA]B B+(SO) (Stable)	[ICRA]B B+(SO) (Stable)	[ICRA]B BB- (SO) (Stable)	Provisional [ICRA]BBB- (SO) (Stable)	-	-

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](http://www.icra.in)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based - CC facility	21.08.2018	NA	NA	12.50	[ICRA]BB+(CE) (Stable); Withdrawn
NA	Term loans	21.08.2018	NA	69 months*	12.50	[ICRA]BB+(CE) (Stable); Withdrawn

Source: Prachay Capital Private Limited

* The term loan has a door-to- door tenor of 69 months from the date of first disbursement

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

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