

January 13, 2020

Piramal Realty Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture Programme (NCD)	350.0	0.0	[ICRA]A-(CE) (Negative); withdrawn
Total	350.0	0.0	

*Instrument details are provided in Annexure-1

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. Earlier, the rating symbol for this instrument/facility used to be accompanied by the (SO) suffix. The change in suffix is not to be construed as a change in rating. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned.

Rationale

ICRA has withdrawn the long-term rating of [ICRA]A-(CE) (pronounced ICRA A minus Credit Enhancement) with a Negative outlook assigned to the Rs. 350.0-crore non-convertible debenture programme of Piramal Realty Private Limited (PRPL or the company). The rating for the Rs. 350.0-crore NCD programme has been withdrawn, as there are no amounts outstanding against the rated instrument. The rating withdrawal is in accordance with ICRA's policy on withdrawal and suspension, and at the request of the company.

The previous detailed rating rationale is available on the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Ratings
Parent / Group Support	The CE rating is based on the unconditional and irrevocable guarantee from Sri Krishna Trust (SKT) and PRL Realtors LLP (PRL) that would cover all the repayment obligations to the NCD holders as per the terms of the transaction.
Consolidation / Standalone	Not applicable, since the CE ratings are based on the unconditional and irrevocable guarantee from SKT and PRL.

About the company

Piramal Realty Private Limited was setup in 2010 and had its presence in the real estate sector through subsidiaries/step-down subsidiaries/LLPs which have projects housed in it or through Joint ventures. The company no longer has any real estate projects. The sole shareholder for PRPL is Sri GopiKrishna Trust which is another trust company under the Piramal Group. In FY2017, the company had started commodity (primarily gold and silver) trading business and operating income for both FY2018 and FY 2019 consists of majorly commodity sale revenue. Additionally, the company generates interest income from the investments/advances given by it to various real estate projects.

Key financial indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	810.2	709.8
PAT (Rs. crore)	35.3	-8.2
OPBDIT/OI (%)	45.2%	44.4%
RoCE (%)	11.3%	11.2%
Total Outside Liabilities/Tangible Net Worth (times)	14.4	12.6
Total Debt/OPBDIT (times)	8.1	7.8
Interest Coverage (times)	1.2	1.0
DSCR	0.1	0.2

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating (FY2020)				Chronology of Rating History for the Past 3 Years							
				Date & Rating				Date & Rating in FY2018				Date & Rating in FY2017		Date & Rating in FY2016	
				13 January 2020	08 November 2019	09 July 2019	23 April 2019	22 March 2018	30 January 2018	26 October 2017	13 June 2017	27 March 2017	07 Sep 2016	-	-
1	Non-Convertible Debenture Programme	250.00	-	-	-	-	-	-	Provisional [ICRA]A+ (SO) (Stable); Withdrawn	Provisional [ICRA]A+ (SO) (Stable)	Provisional [ICRA]A+ (SO) (Stable)	Provisional [ICRA]A+ (SO) (Stable)	-	-	-
2	Non-Convertible Debenture Programme	300.00	-	-	-	-	-	-	[ICRA]A+ (SO) (Stable); Withdrawn	[ICRA]A+ (SO) (Stable)	[ICRA]A+ (SO) (Stable)	-	[ICRA]A+ (SO) (Stable)	-	-
3	Non-Convertible Debenture Programme	350.00	-	[ICRA]A-(CE) (Negative); Withdrawn	[ICRA]A-(CE) (Negative)	[ICRA]A+(SO) (Negative)	[ICRA] AA-(SO) (Negative)	[ICRA]AA-(SO) (Stable);	-	[ICRA]A+ (SO) (Stable)	[ICRA]A+ (SO) (Stable)	Provisional [ICRA]A+ (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 www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE680R07012	NCD	Mar-17	9.50%	Mar-20	350.00	[ICRA]A-(CE) (Negative); withdrawn

Source: Piramal Realty Private Limited

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