

Press Release

Prime Developers

October 01, 2019



Rating Downgraded & Withdrawn

Total Bank Facilities Rated*	Rs. 15.00 Cr.
Long Term Rating	ACUITE B (Downgraded and Withdrawn)
Short Term Rating	ACUITE A4 (Downgraded and Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has downgraded and withdrawn the long-term rating to '**ACUITE B**' (read as **ACUITE B**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 15.00 crore bank facilities of PRIME DEVELOPERS (PD).

The rating has been downgraded and withdrawn on account of request received from the company and NOC received from the banker. The rating has been downgraded on account of significant deterioration in revenues as reflected by Rs.13.12 crore in FY2019 (Provisional) as against Rs. 49.09 crore in FY2018. Further, the rating also factors in increasing gross current assets (GCA) to about 395 days in FY2019 (Provisional) against 166 days in FY2018.

Prime Developers, established in 1997, is a Mumbai-based partnership firm promoted by Mrs. Bharati K. Shah and Mr. Suryakant G. Shah. Prime Developers is registered as a class AA, contractor specialised in executing civil contracts for Government Bodies such as MCGM, MMRDA, VVCMC, to name a few. Prime Developers executes civil contracts such as storm water drains, sewerage operations, roads, culverts, school and government building repairs.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>

About the Rated Entity - Key Financials

	Unit	FY19 (Provisional)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	13.12	49.09	13.32
EBITDA	Rs. Cr.	2.58	4.28	2.89
PAT	Rs. Cr.	0.52	2.85	0.89
EBITDA Margin	(%)	19.63	8.72	21.67
PAT Margin	(%)	3.96	5.81	6.66
ROCE	(%)	11.45	21.50	14.30
Total Debt/Tangible Net Worth	Times	6.94	3.77	1.11
PBDIT/Interest	Times	1.41	2.54	1.43
Total Debt/PBDIT	Times	8.60	3.50	3.79
Gross Current Assets (Days)	Days	395	166	367

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
21-Aug-2019	Cash Credit	Long Term	2.00	ACUITE BB-/Stable (Indicative)
	Bank Guarantee	Short Term	13.00	ACUITE A4+ (Indicative)
27-Jun-2018	Cash Credit	Long Term	2.00	ACUITE BB-/Stable (Assigned)
	Bank Guarantee	Short Term	13.00	ACUITE A4+ (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B (Downgraded and Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE A4 (Downgraded and Withdrawn)

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in Grishma Muni Analyst - Rating Operations Tel: 022-49294035 grishma.muni@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 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. Acuité ratings 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. Acuité ratings 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.