



Press Release
PRATEEK REALTORS INDIA PRIVATE LIMITED
February 14, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	325.00	ACUITE C Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	325.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of ‘**ACUITE C**’ (read as **ACUITE C**) on the Rs. 325.00 Cr. Non-Convertible Debentures of Prateek Realtors India Private Limited.

Rationale for reaffirmation

As per reporting in CIC Report of the company, multiple delays have been captured in debt obligation servicing (in long term loans) by PRIPL in the month of October, 2024.

About the Company

Prateek Realtors India Private Limited (PRIPL) was incorporated on 2009. The company is based in Delhi. It is promoted by Mr. Prashant Kumar Tiwari (& family) who holds 100% of the company directly or through group companies (Prateek Buildtech India Private Limited – 93% and Prashant Kumar Tiwari – 7%). Prateek Realtors India Private Limited is a real estate development company which is developing affordable Group Housing Project : Grand City having 40 acres’ land area and ~8.3 mn saleable area located at Siddhartha Vihar, Ghaziabad. The current director of company is Mr. Prateek Tiwari and Mr. Prashant Kumar Tiwari.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone approach on the business and financial risk profile of Prateek Realtors India Private Limited to arrive at rating.

Key Rating Drivers

Strengths

Experienced Promoters with established track record of operations

Prateek Realtors India Private Limited (PRIPL) was incorporated in 2009. The promoter of the company Mr. Prashant Tiwari has experience of more than two decades in this line of business. The group has substantial presence in Noida and Ghaziabad and has delivered 7.9 mnsft (6 projects) in Delhi NCR such as The Royal cliff, Prateek Fedora, Prateek laurel, Prateek wisteria and Prateek Edifice, and Prateek Stylome. Further, the company is developing affordable Group Housing Project: Grand City having 40 acres’ land area and 8.3 mn saleable area, located at Siddhartha Vihar, Ghaziabad.

Weaknesses

Delay in term loan repayment

As per reporting in CIC Report of the company, multiple delays have been captured in debt obligation servicing (in

long term loans) by PRIPL in the month of October, 2024.

Susceptibility to Real Estate Cyclical, Geographical concentration and regulatory risks

The real estate industry in India is highly fragmented with most of the real estate developers having a city-specific presence. Most of the past and ongoing projects are located in Delhi NCR - This increases PRIPL's susceptibility to geographical concentration risk. The real estate industry is cyclical in nature of business and subject to price and interest rate risk, among others. Further, the industry is also exposed to regulatory risk, which can impact project execution.

ESG Factors Relevant for Rating

The infrastructure development industry has a significant social impact since it is a labour intensive business. Further, community support and development, employee safety and human rights are material factors from the social perspective. Additionally, product quality and safety is of utmost significance. Governance issues that assume relevance include board and management compensation, shareholders rights and board diversity. Factors such as business ethics, legal and regulatory compliance, management compensation and board diversity hold primary importance apart from audit control with regards to governance.

Rating Sensitivities

- Timely repayment of debt obligations.

All Covenants

1. Balance of Piramal/Apollo Debt after payment of Rs.225 Cr. shall be converted into settlement area. Piramal/Apollo Debt shall continue as a customer for the area converted and shall provide no dues certificate for the repayment of debt.
2. No further debt in any form can be raised by the obligors without investor.
3. Subordination of any related party debt.
4. Cumulative Minimum collection of Rs. 500.00 Cr. from Prateek Grand City Project Phase I and II from 1st April, 2024 till before March 31, 2026 with quarterly targets.
5. Other milestones of Phase III to be discussed and mutually agreed at the time of transaction documentation.
6. No sale below the floor price is set out in business plan for any project without consent of investor.
7. Cash flow cover and Security cover of at least 2.25 times at all times.
8. Cash flow cover / Security cover can be tested anytime at the discretion of investor by an external valuer of investor's choice at the cost of obligor.
9. No transactions with promotor or related parties except as explicitly disclosed and agreed.
10. No dividend or any direct or indirect payment to promotor or related parties (except as explicitly disclosed and agreed).
11. Submission of monthly/quarterly business plan. Construction, Approval, and Sales milestones to be monitored and met as per the business plan.
12. All cash flows to be routed through escrow account. Monitoring of all construction expenses through an escrow mechanism.
13. Sponsor not to divest any stake in the obligors other than those as agreed in the business plan till investor debt is fully repaid.

Liquidity Position **Stretched**

The liquidity profile of the company is stretched on an account of delays being captured in debt obligation servicing in multiple accounts of the company as per the reporting in CIC Report.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	168.43	29.85
PAT	Rs. Cr.	(110.35)	(120.69)
PAT Margin	(%)	(65.52)	(404.31)
Total Debt/Tangible Net Worth	Times	(4.49)	(6.21)
PBDIT/Interest	Times	0.24	(0.44)

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

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Feb 2024	Proposed Non Convertible Debentures	Long Term	325.00	ACUITE C (Assigned)
31 Jan 2024	Proposed Non Convertible Debentures	Long Term	325.00	ACUITE Provisional C (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE0K4K07022	Non-Convertible Debentures (NCD)	28 Mar 2024	19.50	31 Aug 2027	325.00	Simple	ACUTE C Reaffirmed

Contacts

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About Acuité Ratings & Research

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