



## Press Release

### Prudent ARC Limited (PAL)

July 28, 2022

#### Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator (Simple/High /Complex)</a>
Long Term Fund Based Facilities – Cash Credit	100.00	IVR BBB; ISSUER NOT COOPERATING (IVR Triple B; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATI NG category*	Simple
<b>Total</b>	<b>100.00</b>			

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

#### Details of Facilities are in Annexure 1

#### Detailed Rationale:

The rating revision is because of lack of adequate information regarding Prudent ARC Limited and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. 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.

#### Non-cooperation by Issuer:

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the proposed bank loan rating aggregating to INR100.00 Crore of Prudent Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BBB; Issuer Not Co-operating based on best available information.

#### Analytical Approach: Standalone



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### Applicable Criteria:

[Rating Methodology for Financial Institutions/ NBFCs](#)

[Guidelines on what constitutes Non-Cooperation by clients.](#)

### About the Company:

Prudent ARC Limited (PAL) was incorporated in September, 2011 and is Delhi based company promoted by Mr. Pradeep Goel. The company subsequently received registration to commence Asset Reconstruction business vide RBI Registration certificate dated August 3, 2016.

### Financials: Standalone

(INR. Crore)

For the year ended/ As On*	31-3-2020 (Audited)	31-3-2021 (Audited)
Total Operating Income	16.46	10.54
Interest Expenses	5.21	6.77
PAT	2.36	0.58
Total Debt	44.53	89.99
Tangible Net-worth	124.43	125.01
Total Loan Assets	137.16	221.19
<b>Ratios (%)</b>		
PAT Margin (%)	14.37	5.50
Overall Gearing Ratio (x)	0.36	0.72
Total CAR (%)	84.68%	37.60%

\*Classification as per Infomerics standards

**Status of non-cooperation with previous CRA: NA**

**Any other information: NA**

### Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (April 29, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Proposed Long Term Fund Based Bank Facility	Long Term	100.00	IVR BBB; INC	IVR A-/Stable Outlook	--	--

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



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**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors

### Annexure 1: Details of Facilities:

Name of Facility	ISIN No	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Proposed Long Term Fund Based Facilities	--	--	--	--	100.00	IVR BBB; ISSUER NOT COOPERATING*

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



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**Annexure 2: List of companies considered for consolidated analysis: Not Applicable.**

**Annexure 3: Facility wise lender details: Not Applicable**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**Note on complexity level of the rated Instruments:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

