



## Press Release Prudent ARC Limited

July 19, 2023

### Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Proposed Long Term Fund Based Bank Facilities	100.00	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING)	Revised and moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>100.00</b>	<b>INR One Hundred Crores Only</b>		

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

### Details of Facilities are in Annexure 1

#### Detailed Rationale:

The revision of rating assigned to Prudent ARC Limited reflects lack of adequate information available about the performance of the company and 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 rating revision.

#### Non-cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications July 14, 2023, July 12, 2023, July 10, 2023, and June 28 2023 and telephonic follow ups. However, despite repeated requests by Infomerics, the company's management has provided requisite information and other essential details to complete the rating review process.

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



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on the best available information. Accordingly, the Bank Loan Facilities aggregating to INR 100.00 Crores of Prudent ARC Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+/Negative; ISSUER NOT COOPERATING; based on best available information.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for NBFCs/FIs](#)

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

[Criteria for rating outlook](#)

### **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): As per information available with us**

(Rs. crore)

For the year ended / As On*	31-03-2020 (Audited)	31-03-2021 (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: N.A.**

**Any other information: N.A.**

**Rating History for last three years:**



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Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding. (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
					28 July 2023	29 April 2021	
1.	Proposed Long Term Fund Based Bank Facilities	Long Term	100.00	IVR BB+/Negative ; ISSUER NOT COOPERATING*	IVR BBB/INC	IVR A-/Stable	-

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

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**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,



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hold or sell securities. Infomerics reserves the right to change 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/Instrument

Name of Facility/Instrument	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Instrument (Rs. Crore)	Rating Assigned/ Outlook
Proposed Long Term Fund Based Bank Facilities	-	-	-	100.00	IVR BB+/Negative (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*

**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 Available**

**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)