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May 16, 2018

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.
Scrip Code: 521149

Dear Sirs,

Sub: Intimation of Revision of Credit Rating

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that India Rating & Research Pvt. Ltd. ("India Ratings") has revised its rating on the bank facilities of the Company as follows:

Instrument Type	Size of Issue(million)	Rating/Outlook	Rating Action
Fund-based facility	INR 210 (increased from INR 200)	IND BB+/Stable/IND A4+	Affirmed

Please find enclosed herewith credit rating letter dated 15th May, 2018 issued by India Rating & Research Pvt. Ltd. to the Company in this regard.

This is for your information and records.

Thanking You,

Yours faithfully,
For Prime Urban Development India Limited


Krunal Shah
Senior Manager – Legal and Company Secretary

Encl: As stated above

PRIME URBAN[®]
DEVELOPMENT INDIA LTD.

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GST No :33AABCP9571D1ZH

India Ratings Affirms Prime Urban Development at 'IND BB+'; Outlook Stable

15

MAY 2018

By [Gokulakrishnan Madhusuthanan](#)

India Ratings and Research (Ind-Ra) has affirmed Prime Urban Development India Limited's (PUDIL) Long-Term Issuer Rating at 'IND BB+'. The Outlook is Stable. The instrument-wise rating actions are given below:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Fund-based facility	-	-	-	INR210 (increased from INR200)	IND BB+/Stable/IND A4+	Affirmed

KEY RATING DRIVERS

The affirmation reflects PUDIL's continued medium scale of operations. Overall revenue fell to INR539 million in FY17 (FY16: INR697 million), due to a revenue decline in the reality segment to INR205 million (INR317 million). The company has recorded overall revenue of INR600 million during 9MFY18.

The ratings also reflect the company's modest credit metrics due to a shift in its business strategy for the real estate segment. The company earlier used to hold an inventory of land parcels. It has now started purchasing only those land parcels where it sees a resale opportunity. Gross interest coverage (operating EBITDA/gross interest expense) improved to 23.3x in FY17 (FY16: 11.9x) due to a fall in interest expenses and net leverage (total adjusted net debt/operating EBITDAR) increased to 0.7x (0.3x) owing to a decline in absolute EBITDA. Ind-Ra expects the credit metrics to have deteriorated in FY18, because of a decline in EBITDA margin with interest coverage of 1.5x in 9MFY18.

EBITDA margin declined to 25% in FY17 (FY16: 36.2%) because of a fall in margin in the reality segment. In 9MFY18, the EBITDA margin fell to 8.6% due to the strategy shift in real estate segment and price fluctuations in the yarn trading segment.

The ratings are supported by the company's eight-decade-long operational track record in trading cotton yarn and comfortable liquidity with its utilisation of the working capital limits being 51% on average for the 12 months ended April 2018.

RATING SENSITIVITIES

Positive: An improvement in the EBITDA margin from the trading division along with steady revenue growth leading to an improvement in the credit metrics, on a sustained basis, would be positive for the ratings.

Negative: Substantial deterioration in the revenue or EBITDA margin leading to deterioration in the credit metrics, on a sustained basis, can be negative for the ratings.

COMPANY PROFILE

PUDIL started operations in 1936. The company is in the business of real estate and trading of cotton yarn.

FINANCIAL SUMMARY

Particulars	FY17	FY16
Revenue (INR million)	539	697
EBITDA (INR million)	135	252
EBITDA margin (%)	25.0	36.2
Interest coverage (x)	23.3	11.9

Net leverage (x)	0.7	0.3
Source: PUDIL, Ind-Ra		

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (million)	Rating	19 May 2017	2 March 2016
Issuer rating	Long-term	-	IND BB+/Stable	IND BB+/Stable	IND BB/Stable
Fund-based facilities	Long-term/Short-term	INR210	IND BB+/Stable/IND A4+	IND BB+/Stable/IND A4+	IND BB/Stable/IND A4+

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

ABOUT INDIA RATINGS AND RESEARCH

India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies, structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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Applicable Criteria

[Corporate Rating Methodology](#)

Analyst Names

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