

Rating Rationale

10 Oct 2022

PVP Ventures Limited

Brickwork Ratings reaffirms the rating for the NCDs of Rs.108.49 Crs of PVP Ventures Limited (hereafter referred to as PVPVL or the company) based on best available information, as the issuer did not cooperate.

Particulars

Instrument	Amount (Rs Crs)		Tenure	Rating ¹	
	Previous	Present		Previous (05 Oct 2021)	Present
NCD Tranche A	25.59	25.59	Long Term	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING* Reaffirmed and continued in Issuer Not Cooperating* Category.
NCD Tranche B	82.90	82.90		Reaffirmation	
Total	108.49	108.49	Rupees One Hundred Eight Crores and Forty Nine Lakhs Only		

¹Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Issuer did not cooperate; Based on best available information;

Rating Action/Nature Of Non-cooperation

The ratings for the NCDs of PVP Ventures Ltd. (“PVPVPL” or “the company”) were last reviewed in October 2021 based upon the best available information as the company did not cooperate in providing information for the rating review and delays in servicing the rated NCDs due to its strained cash flow position. The company is irregular in submitting the monthly ‘No Default Statement’(NDS) in deviation of the extant regulations. BWR takes note of the relevant disclosure by the Debenture Trustee (DT) non payment/ awaiting confirmation of payment. BWR also takes note of the qualified opinion of the auditor (unaudited Q1FY23) on receipt of approval (10 Aug 2022) from debenture holders post the due date for waiver of interest and principal outstanding pertaining to Tranche B. Due to the continued lack of management cooperation and in the absence of adequate information from the company, BWR is unable to assess the company’s financial performance and its ability to service its coupon payments and maintain a valid rating. Hence, based on extant regulatory guidelines, continued non-cooperation by the company, non-submission of monthly NDS and best available information, Brickwork Ratings has reaffirmed the rating at BWR D and continued it in the ISSUER NOT COOPERATING* category.



Limitations of the Rating

Information availability risk is a key factor in the assessment of credit risk as generally non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

Analytical approach :Consolidated

For arriving at its ratings, BWR has taken a consolidated view of the business and financial profiles of PVP Ventures Limited, its 6 subsidiaries and 5 step down subsidiaries collectively referred to as PVP group (list of subsidiaries are shown in Annexure II). BWR Brickwork Ratings has applied its rating methodology as detailed in the Rating criteria below (hyperlinks provided at the end of this rationale).

About the Company

Incorporated in January 1991 at Chennai, PVP Ventures Limited (PVPVL) is the holding company of the Hyderabad based PVP group, which has business interests in real estate, media & entertainment. The Group is engaged in developing urban infrastructure, movie production and movie financing related activities. PVPL has entered into a joint development agreement (“JDA”) with North Town Estates Pvt. Ltd. to build an integrated township called “Northtown” at Perambur, Chennai, consisting of 33.50 acres of construction of 2396 Flats and 110 Row Houses. There has been a significant delay in the execution of this project. PVPVL is listed on NSE and BSE. Mr Prasad V. Potluri is the Chairman & Managing Director.

Note: As per information provided by the company till Oct 2018 and information available in the public domain.

Financial Performance - Standalone

Key Parameters	Units	31 Mar 2021	31 Mar 2022
Result Type		Audited	Audited
Total Operating Income	Rs. Crs	17.53	32.21
EBITDA	Rs. Crs	13.24	24.25
PAT	Rs. Crs	(14.75)	(502.34)
Tangible Net worth	Rs. Crs	583.24	79.41
Total Debt/Tangible Net Worth	Times	0.15	1.51
Current Ratio	Times	0.35	0.24

On a Standalone basis, the Company had reported revenue of Rs.160.00 crs and PAT of Rs.42.59 crs in Q1FY23.

Financial Performance - Consolidated

Key Parameters	Units	31 Mar 2021	31 Mar 2022
Result Type		Audited	Audited
Total Operating Income	Rs. Crs	17.84	48.76
EBITDA	Rs. Crs	(13.55)	7.24
PAT	Rs. Crs	(80.62)	(95.23)
Tangible Net worth	Rs. Crs	(84.48)	(179.61)
Total Debt/Tangible Net Worth	Times	-ve	-ve
Current Ratio	Times	0.87	0.66

On a consolidated basis, the Company had reported revenue of Rs. 160.00 crs and PAT of Rs.267.81 crs in Q1FY23.

Key covenants of the rated facilities: NA

Status of non-cooperation with previous CRA: NA

Any other information: Not applicable

Rating History for the last three years [including withdrawal and suspended]

Sl. No.	Instrument	Current Rating (Oct 2022)			Rating History		
		Type	Amount (Rs Crs)	Rating	2021 05 Oct 2021	2020 05 Oct 2020	2019 18 Oct 2019
1	NCD Tranche A	Long Term	25.59	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING*
2	NCD Tranche B		82.90		BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING*
Total			108.49	Rupees One Hundred Eight Crores and Forty Nine Lakhs Only			

*Issuer did not cooperate. Based on best available information

Complexity levels of the Instrument: Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Default Recognition and Post Default Curing Period](#)
- [Commercial Real Estate Rating methodology](#)
- [Approach to Financial ratios](#)
- [What Constitutes Non-cooperation](#)

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PVP Ventures Limited
ANNEXURE I
Instrument Details: Listed on BSE

Instrument	Issue Date	Amount (Rs Crs)	Coupon	Maturity Date	ISIN
NCD Tranche A	27-Jun-2017	25.59	18%	22-Jun-2022	INE362A07021
NCD Tranche B	27-Apr-2018	5.00	18%	31-Jan-2023	INE362A07039
	27-Apr-2018	27.90	18%	31-Jan-2023	
	03-Oct-2018	25.00	18%	31-Jan-2023	
	09-Oct-2018	25.00	18%	31-Jan-2023	
		108.49	Rupees One Hundred Eight Crores and Forty Nine Lakhs Only		

Note: As per unaudited financials of Q1FY23, the company has repaid the Tranche A in full on 30 Jun 2022. However, DT confirmation is not received.

PVP Ventures Limited
Annexure II : Subsidiaries

Sl No	Name of the Entity	Holding (%)	Extent of consolidation	Rationale for consolidation
1	PVP Corporate Parks Private Limited, Chennai	100.00	Full	Wholly Owned Subsidiary
2	PVP Global Ventures Private Limited, Chennai	100.00	Full	Wholly Owned Subsidiary
3	PVP Media Ventures Private Limited, Chennai	100.00	Full	Wholly Owned Subsidiary
4	Safetrunk Services Private Limited, Chennai	100.00	Full	Wholly Owned Subsidiary
5	New Cyberabad City Projects Private Limited, Chennai	80.99	Full	Subsidiary
6	Picturehouse Media Limited, Chennai	49.55	Full	Subsidiary
7	Adobe Realtors Private Limited, Chennai*	100.00	Full	Step Wholly Owned Subsidiary
8	Arete real Estate developers Private Limited, Chennai*	100.00	Full	Step Wholly Owned Subsidiary



9	Expression real Estate developers Private Limited*	100.00	Full	Step Wholly Owned Subsidiary
10	PVP Capital Limited, Chennai**	100.00	Full	Step Down subsidiary
11	PVP Cinema Private Limited, Chennai**	100.00	Full	Step Down subsidiary

*Adobe Realtors Private Limited, Arete Real Estate Developers Private Limited, Expressions Real Estate Private Limited are the wholly owned subsidiary companies of PVP Global Ventures Private Limited.

** PVP Capital Limited and PVP Cinema Private Limited are wholly owned subsidiaries of Picturehouse Media Limited.

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