

Rating Rationale

5 May 2021

Paranjape Schemes Construction Limited

Brickwork Ratings reviews the Rating for the Non-Convertible Debentures of ₹ 175.00 Crores and Bank Loan facilities of ₹ 26.87 Crores of Paranjape Schemes Construction Limited (“PSCL” or “The Company”) based on the best available information, as the issuer did not cooperate.

Particulars

Facility**	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (November, 2020)	Present
Fund based	26.87	26.87	Long Term	BWR BB- / Negative [Downgraded] Issuer Not Cooperating*	BWR C [Downgraded] Issuer Not Cooperating*
NCD	175.00	175.00	Long Term	BWR B / Negative [Downgraded] Issuer Not Cooperating*	BWR D [Downgraded] Issuer Not Cooperating*
Total	201.87	201.87	₹ Two Hundred and One Crores and Eighty Seven Lakhs Only		

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

*Issuer did not cooperate, based on best available information.

** Details of Bank facilities/NCD/Fixed Deposit is provided in Annexure-I&II

Rating:

- a) Downgraded for the NCD ratings to ‘D’ and continued in the ‘Issuer Not Cooperating*’ category.
- b) Downgraded for BLR ratings to ‘C’ and continued in the ‘Issuer Not Cooperating*’ Category.

RATING ACTION

The revision in the rating for NCD facility of Paranjape Schemes Construction Limited is on account of ongoing delay in servicing its principal and outstanding interest obligations on NCD, as confirmed by the company.

As per the fifth supplement to the Debenture Trust Deed (DTD) dated 21st October 2020 mutually agreed by the investors, the trustee and the company; the debenture was expected to be redeemed by repaying the entire debenture subscription amount along with the all the outstanding coupon and all other amounts due on or before 30th April 2021. However, the company via email dated 30th April 2021 has confirmed the non payment of due NCD principal



and outstanding coupon. Further, the company also stated that it has applied for extension in the tenure of the NCD with the investors; however the confirmation on the approval from the investors and completion of relevant documentation work has not been received by BWR as at the close of the due date, 30 April 2021. The same has also been confirmed by the debenture trustee through, Vistra ITCL, through email dated 3rd May 2021.

The revision in the rating of Bank Loan facility of Paranjape Schemes Construction Limited, which is an LRD facility from the expected rentals from a single tenant, follows the default in the NCD instrument indicating stressed liquidity position of the company. Further, the rating also factors the stressed financial & liquidity position of its single tenant for its mall due to the disruptions caused by the COVID-19 outbreak adversely impacting flow of lease rentals for PSCL.

NATURE OF NON-COOPERATION:

BWR has been seeking information from the Company for a review, however the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

COMPANY PROFILE (Information available as on May 2020)

PSCL was incorporated in 1987 by Mr. Shrikant Paranjape and Mr. Shashank Paranjape in Pune, Maharashtra. The Company is part of the Paranjape group which mainly operates in the real estate industry. The promoters of the Company have more than three decades of experience in the real estate business. The Company is engaged in the real estate development activity (providing end -to- end solutions from project design to construction to facility management all in-house), of both residential and commercial projects in Pune, Mumbai, Chiplun, Kolhapur, Nashik, Vadodara and Bangalore regions.

As reported, the group is presently undertaking 20 ongoing projects with a total saleable area of 55.42 lakh sq. ft. The projects are located in Mumbai (2 Projects), Bangalore (1 Project) and Pune (17 Projects). As on 31st March, 2019 around 42 percent of the total project cost has been incurred and around 54% of the total saleable area has been sold.

The Company has also leased its premises at Erandwane Pune to a single tenant Future Lifestyle Fashions Limited (FLFL) for a period of 4 years with lease agreement entered in the year 2018.

KEY FINANCIAL INDICATORS (in ₹ Cr) [Standalone]

Key Parameters	Units	FY2018	FY2019
Result Type		Audited	Audited
Operating Revenue	Rs. Crs	225.59	46.96
EBITDA	Rs. Crs	10.78	-17.11
PAT	Rs. Crs	-69.79	-107.64
Tangible Net worth	Rs. Crs	132.05	15.77
Total Debt/Tangible Net worth	Times	9.49	95.62
Inventory	Rs. Crs	639.69	936.85

KEY FINANCIAL INDICATORS (in ₹ Cr) [Consolidated]

Key Parameters	Units	FY2018	FY2019
Result Type		Audited	Audited
Operating Revenue	Rs. Crs	1072.44	744.73
EBITDA	Rs. Crs	270.27	109.75
PAT	Rs. Crs	-43.25	-127.79
Tangible Net worth	Rs. Crs	-291.25	-477.54
Total Debt/Tangible Net worth	Times	Negative	Negative
Inventory	Rs. Crs	1706.64	2079.31

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY :

CRISIL, vide its press release dated May 04, 2021 had denoted the rating of PSCL as ‘CRISIL D / CRISIL FD; ISSUER NOT COOPERATING*’. Further, CARE vide its press release dated November 02, 2020 had denoted the rating of PSCL as ‘CARE C/ CARE C(FD); ISSUER NOT COOPERATING*’.

ANY OTHER INFORMATION: Not Applicable

RATING HISTORY FOR THE PREVIOUS THREE YEARS [INCLUDING WITHDRAWAL AND SUSPENDED]

S.No	Instrument /Facility	Current Rating			Rating History			
		Type (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2020	3 June, 2019	31 May, 2018	
Fund Based								
1.	Fixed Deposit	Long Term	0.01	-	3 November 2020 Bank Loan Issuer Not Cooperating* BWR BB-/Negative [Downgraded]		BWR FBBB+ /Stable [Reaffirmed]	BWR FBBB+ /Stable [Reaffirmed]
2.	Bank Loan	Long Term	26.87	BWR C [Downgraded] Issuer Not Cooperating*	NCD Issuer Not Cooperating* BWR B/Negative [Downgraded]		BWR BBB+ /Stable [Reaffirmed]	BWR BBB+ /Stable [Assigned]
3.	Non Convertible Debenture (NCD)	Long Term	175.00	BWR D [Downgraded] Issuer Not Cooperating*	08 May 2020 FD Rating withdrawn Bank Loan BWR BBB (Rating under Watch with Negative Implications) [Downgraded] NCD BWR BB+ (Rating under Watch with Negative Implications) [Downgraded]		BWR BBB+ /Stable [Reaffirmed]	BWR BBB+ /Stable [Assigned]
Total			201.87	₹ Two Hundred and One Crores and Eighty Seven Lakhs Only				

COMPLEXITY LEVELS OF THE INSTRUMENTS

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

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Default Recognition and Post Default curing period](#)
- [What constitutes Non-Cooperation](#)
- [Infrastructure Sector](#)

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Paranjape Schemes Construction Limited

ANNEXURE I

Details of Bank Facilities rated by BWR

Sl. No.	Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
1.	Term Loan	26.87	-	26.87
TOTAL				26.87

Total Rupees Twenty Six Crores and Eighty Seven Lakhs only.



ANNEXURE II

NCD Details

Instrument	Issue Date	Amount in Crs.	Coupon Rate	Maturity Date	ISIN Particulars
NCD	21st Nov 2014	72.40	14% p.a.	30th April 2021	INE694I07012
	28th Jul 2015	39.80	14% p.a.	30th April 2021	INE694I07038
	20th Oct 2015	27.70	14% p.a.	30th April 2021	INE694I07046
	2nd Sep 2016	35.10	14% p.a.	30th April 2021	INE694I07061
Total		175.00	INR One hundred and Seventy Five Crores Only		

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