Stock Report

Brickwork reaffirms rating of Parsvnath Rail Land Project Private Limited

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Brickwork has re-affirmed the rating "BWR B (Reaffirmation) (Credit Watch with Positive Implications) (Reaffirmation)”, assigned to Rs.360 Crores Non-Convertible Debentures (Series A) and Rs.244.39 Crores Non-Convertible Debentures (Series B) of Parsvnath Rail Land Project Private Limited, a subsidiary company of Parsvnath Developers Limited.

The reaffirmation of the ratings reflects the decision of arbitration proceedings which came again in favor of Parsvnath Rail Land Projects P Ltd (RLPPL) on 03 April 2018 against the appeal filed by Rail Land Development Authority (RLDA) before Hon’ble High Court of Delhi. As per the orders, RLDA need to make the payment of Rs. 1034.53 Crs to the Company along with an interest rate of 4 percent per annum from July 15, 2015.

Presently, the Company has filed for execution petition for the enforcement of Arbitral Award which is already passed for registration and is likely to be listed for hearing shortly. The rating assigned, also derives comfort from the fact that no interest liability accrued on the secured NCD issues till date.

BWR retains the outlook to "under credit watch with positive implications" considering Hon’ble Arbitral Tribunal and Hon’ble High Court of Delhi’s judgements in RLPPL’s favor. The rating outlook may be revised to 'Negative' if RLDA fails to make payment as per the order which would adversely affect the servicing of the secured NCD’s.

BWR has taken note of the agreement between the issuer and the investor about non accrual of interest on the rated instrument till the sales target is achieved. In View of developments indicated above, there is no coupon servicing obligation for the issuer.

Shares of PARSVNATH DEVELOPERS LTD. was last trading in BSE at Rs.11.23 as compared to the previous close of Rs. 11.63. The total number of shares traded during the day was 20283 in over 95 trades.

The stock hit an intraday high of Rs. 12.38 and intraday low of 11. The net turnover during the day was Rs. 234769.

Source: **Equity Bulls**