

## Paranjape Schemes (Construction) Limited

May 05, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Rating Action
Non Convertible Debentures	175.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE C; (Single C)
<b>Total Long Term Instruments</b>	<b>175.00</b> <b>(Rs. One Hundred Seventy-Five Crore Only)</b>		
Fixed Deposit	55.00	CARE D (FD); ISSUER NOT COOPERATING* [Single D (Fixed Deposit) ISSUER NOT COOPERATING*]	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE C (FD); [Single C (Fixed Deposit)]
<b>Total Medium Term Instruments</b>	<b>55.00</b> <b>(Rs. Fifty-Five Crore Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Paranjape Schemes (Construction) Limited (PSCL) to monitor the ratings vide e-mail communications dated April 16, 2021, May 01, 2021, May 03, 2021, May 04, 2021 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on PSCL's instruments will now be denoted as **CARE D; ISSUER NOT COOPERATING** and **CARE D (FD); ISSUER NOT COOPERATING** for non-convertible debentures and fixed deposits, respectively.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

The rating action follows receipt of e-mail confirmation from the Debenture Trustee (DT) informing that the company has not made the payment on the due date and has requested for extension of due date from April 30, 2021 which is still to be approved from debenture holders.

### Key Rating Weakness

**Non-Payment of dues on Non-Convertible Debentures (NCD):** PSCL has not paid the coupon interest and principal redemption that was due on the NCD, on April 30, 2021. As per the terms of the debenture trust deed and the subsequent extension approved by the debenture trustee, the said interest payment and principal redemption were due on or before April 30, 2021. Further extension in due date has been sought by PSCL; however, the extension is not yet approved by the debenture holders.

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-Cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Rating](#)

[CARE's Policy on Default Recognition](#)

[Financial Ratios-Non Financial Sectors](#)

[Liquidity analysis of Non-financial sector entities](#)

[Rating Methodology for real estate sector](#)

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications \*Issuer did not cooperate; Based on best available information

### About the Company

Incorporated in 1987, Paranjape Schemes Construction Limited (PSCL) is in the business of real estate development, both residential and commercial. The company has undertaken real estate projects in Pune, Mumbai, Chiplun, Kolhapur and Bangalore. The group has completed over 191 projects with total saleable area of 20.9 million square feet (msf) (~85% residential and 15% commercial) till May 2020. The company has shown reasonable execution capability; moreover, the major funding being advance from customers indicate company's ability to market the projects during construction period and maintain high collection efficiency.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	126.32	321.96
PBILDT	11.98	-23.47
PAT	-107.63	-139.19
Overall gearing (times)	NA	NA
Interest coverage (times)	0.07	NM

A: Audited, based on publicly available information; NA: Not Available; NM: Not Meaningful

### Status of non-cooperation with previous CRA:

- CRISIL Ratings has conducted the review on the basis of best available information and has classified the company as "Not cooperating" vide its press release dated May 04, 2021.
- Brickwork Rating has conducted the review on the basis of best available information and has classified the company as "Not cooperating" vide its press release dated November 03, 2020.

**Any other information:** Not applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facilities:** Not applicable

**Complexity level of various instruments rated for this company:** Please refer Annexure-4

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures	INE694I07012	November 21, 2014	14%	April 30, 2021	72.40	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE694I07038	July 28, 2015	14%	April 30, 2021	39.80	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE694I07046	October 20, 2015	14%	April 30, 2021	27.70	CARE D; ISSUER NOT COOPERATING*
Debentures-Non Convertible Debentures	INE694I07061	September 02, 2016	14%	April 30, 2021	35.10	CARE D; ISSUER NOT COOPERATING*
Fixed Deposit		-	-	-	55.00	CARE D (FD); ISSUER NOT COOPERATING*

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

**Annexure-2: Rating History of last three years**

Sr. No	Name of the Instrument/ Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (24-Apr-18)
2.	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)Withdrawn (24-Apr-18)
3.	Non-fund-based - ST-Bank Guarantees	ST	-	-	-	-	-	1)Withdrawn (24-Apr-18)
4.	Fixed Deposit	LT	55.00	CARE D (FD); ISSUER NOT COOPERATING*	-	1)CARE C (FD); ISSUER NOT COOPERATING* (02-Nov-20) 2)CARE C (FD); ISSUER NOT COOPERATING* (07-Oct-20) 3)CARE B (FD); Negative; ISSUER NOT COOPERATING* (13-May-20)	1)CARE B+ (FD); ISSUER NOT COOPERATING* (06-Jun-19)	1)CARE BB+ (FD); ISSUER NOT COOPERATING* (24-Apr-18)
5.	Debentures-Non Convertible Debentures	LT	175.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE C; ISSUER NOT COOPERATING* (02-Nov-20) 2)CARE C; ISSUER NOT COOPERATING* (07-Oct-20) 3)CARE B; Negative; ISSUER NOT COOPERATING* (13-May-20)	1)CARE B+; ISSUER NOT COOPERATING* (06-Jun-19)	1)CARE BB+; ISSUER NOT COOPERATING* (24-Apr-18)

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

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities – Not available**

**Annexure 4: Complexity level of various instruments rated for this Company.**

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures Non-Convertible Debentures	Simple
2.	Fixed Deposit	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**