

D S Kulkarni Developers Limited

February 26, 2018

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	715.79	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	ISSUER NOT COOPERATING; Based on best available information.
Total Bank Facilities	715.79 (Rs.Seven Hundred Fifteen crore Seventy Nine Lakhs Only)		
Non-convertible debentures	111.59	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	ISSUER NOT COOPERATING; Based on best available information.
Fixed Deposits	33.86	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	ISSUER NOT COOPERATING; Based on best available information.
Total Instruments	145.45 (Rs.One Hundred Forty Five crore Forty Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from D S Kulkarni Developers Limited (DSK) to monitor the rating vide e-mail communications dated January 23, 2018, January 29, 2018, January 31, 2018, February 20, 2018, 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 publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further, DSK has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on DSK's facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

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

The rating continues to take into account inability of the company to service its debt obligation on the bank borrowings, NCD's and FD's.

Detailed description of the key rating drivers

Key Rating Weaknesses

There are on-going delays in debt servicing on account of weak financial position of the company.

The company reported a decline of 34.22% (Y-o-Y) in Total Operating Income (TOI) from Rs.175.01 crore in FY16 to Rs.115.12 crore in FY17 and a drop in Profit After Tax (PAT) to Rs.0.89 crore in FY17 from Rs.12.39 crore in FY16.

Analytical Approach: Standalone

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Applicable Criteria:[Policy in respect of Non-cooperation by issuer](#)[CARE's Policy on Default Recognition](#)[Criteria on assigning Outlook to Credit Ratings](#)[Financial ratios – Non-Financial Sector](#)**About the Company**

DSK was incorporated in 1991 by Mr D S Kulkarni. The equity shares of the company are listed on stock exchanges. DSK is the flagship company of the DSK Group, formed for the purpose of real estate development.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	20.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	-	445.79	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Working Capital Limits	-	-	-	50.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based/Non-fund-based-Long Term	-	-	-	200.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Debentures-Non Convertible Debentures	-	Option I (INE891A07011): 12.50%	06/09/2017	111.59	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
		Option II (INE891A07037): NA	06/03/2020		
		Option III (INE891A07045): 12.65%	Staggered redemption schedule with last maturity date: 06/09/2020		
		Option IV (INE891A07029): 12.75%	06/09/2021		
Fixed Deposit	-	-	-	33.86	CARE D (FD); ISSUER NOT COOPERATING* Issuer not cooperating; 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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT-Cash Credit	LT	20.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (04-Apr-17)	-	1)CARE BBB+ (17-Feb-16)	1)CARE BBB+ (08-Jul-14)
2.	Fund-based - LT-Term Loan	LT	445.79	CARE D; ISSUER NOT COOPERATING*	1)CARE D (04-Apr-17)	-	1)CARE BBB+ (17-Feb-16)	1)CARE BBB+ (08-Jul-14)
3.	Fixed Deposit	LT	33.86	CARE D (FD); ISSUER NOT COOPERATING*	1)CARE D (FD) (30-Jun-17) 2)CARE C (FD); Negative (04-Apr-17)	-	1)CARE BBB+ (FD) (17-Feb-16)	1)CARE BBB+ (FD) (08-Jul-14)
4.	Debentures-Non Convertible Debentures	LT	111.59	CARE D; ISSUER NOT COOPERATING*	1)CARE D (30-Jun-17) 2)CARE C; Negative (04-Apr-17)	-	1)CARE BBB+ (17-Feb-16)	1)CARE BBB+ (08-Jul-14)
5.	Fund-based - LT-Working Capital Limits	LT	50.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (04-Apr-17)	-	-	-
6.	Fund-based/Non-fund-based-Long Term	LT	200.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (04-Apr-17)	-	-	-

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