

PDL/SEC/SE/2020-21/

January 30, 2021

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai- 400 051

BSE Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai- 400 001

**Scrip Code No. : PARSVNATH-EQ (NSE); 532780 (BSE)**  
**Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. 2015**

Dear Sir(s),

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby informed that CRISIL Ratings Limited has re-affirmed its rating at 'CRISIL D' on the long term bank facilities of the Company amounting to Rs. 55 Crores (reduced from Rs.72.06 Crores).

The rating rationale is attached herewith, for reference.

Thanking you,

Yours faithfully,  
For Parsvnath Developers Limited

  
(Mandan Mishra)  
Company Secretary &  
Compliance Officer

# Ratings

Pursuant to SEBI notifications, CRISIL Limited (CRISIL) has transferred its Ratings business to its wholly owned subsidiary, CRISIL Ratings Limited (CRISIL Ratings), with effect from December 31st 2020. Any reference to CRISIL in the documents published by the Ratings division of CRISIL, such as Rating Rationales, Credit Rating Reports, Press Releases, Criteria, Methodology, FAQs, Policies and Disclosures, shall henceforth refer to CRISIL Ratings.

## Rating Rationale

January 29, 2021 | Mumbai

### Parsvnath Developers Limited

Rating reaffirmed at 'Crisil D'

#### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.55 Crore (Reduced from Rs.72.06 Crore)</b>
<b>Long Term Rating</b>	<b>CRISIL D (Reaffirmed)</b>

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL has reaffirmed its rating on the long-term bank facilities of Parsvnath Developers Limited (PDL) at 'CRISIL D'. The rating on the bank loan facility of Rs 17.06 crore, however, has been withdrawn at the company's request as these limits are closed and there are no dues against it. The rating action is in line with CRISIL's policy on withdrawal of its ratings on bank facilities.

The reaffirmation reflects sustained overdues in debt servicing on account of stretched liquidity. PDL is also exposed to cyclical inherent in the real estate sector. However, it benefits from the extensive experience of its promoters in the real estate industry.

#### Analytical Approach

For arriving at the rating, CRISIL has combined the business and financial risk profiles of PDL and its subsidiaries and associates. This is because all these entities, collectively referred to as PDL, are managed by the same promoters and have financial linkages. The standalone entity has investments aggregating Rs 475 crores and has given loans & advances of Rs 333 crores to its related parties as of March 31, 2020.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

#### Key Rating Drivers & Detailed Description

##### Weakness:

- **Stretched liquidity reflected by ongoing overdues in the group:**

There has been sustained overdues in debt servicing in group on account of stretched liquidity. The group continues to show interest accrued and due of Rs 223 crores as on March 31, 2020. For the rated amount of cash credit facility, the overdues have been upto 30 days in recent months, primarily due to levy of monthly interest. However company is monetizing their projects to reduce its debt exposure. Regularization of debt servicing will remain a key rating sensitivity factor.

- **Susceptibility to cyclical demand inherent in the real estate sector**

The real estate sector in India is cyclical and volatile, resulting in fluctuations in cash flow because of changes in realisations. In contrast, cash flow, related to project completion and servicing debt, is relatively fixed, and could lead to substantial mismatches. The residential real estate sector has remained under pressure due to weak demand and bearish consumer sentiment over the past few years, resulting in refinancing needs. Demonetisation and RERA have also impacted demand as buyers adopt a 'wait and watch' attitude, increasing the funding challenges for developers.

##### Strengths:

- **Promoters' extensive experience**

Healthy track record of over two decades in the real estate sector has enabled the promoters to develop a well-diversified portfolio, which includes residential apartments and townships, commercial and retail space, special economic zones (SEZs), information technology (IT) parks, and hotels. It is also engaged in the construction contracting business.

##### Liquidity: Poor

Liquidity is Poor due to the slowdown in sales and flow of customer advances from projects. However company has been reducing its existing limits in the bank and also reducing the debt at consolidated level through project monetization. The outstanding debt at the group has reduced to Rs 3144.5 crs (as of March 2020) from Rs 4,216.4 crs (as of March 2019).

#### Rating Sensitivity factors

##### Upward factors

- Track record of timely debt servicing for atleast over 90 days
- Sustainable improvement in financial risk profile.



**About the Group**

Incorporated in 1990, PDL develops real estate projects and has a well-diversified portfolio of residential apartments, integrated townships, commercial and retail projects, SEZs, IT parks, and hotels. It is also engaged in the construction contracting business. While the company has delivered about 3.17 crore square feet (sq ft) through its 65 completed projects, the ongoing project portfolio comprises around 40 projects spread over about 5.15 crore sq ft. It has pan-India presence, but has undertaken majority of projects in Delhi and the National Capital Region.

**Key Financial Indicators**

Particulars	Unit	2020	2019
Revenue	Rs crore	1213	913
Profit after tax (PAT)	Rs crore	(363)	(367)
PAT margin	%	(29.96)	(40.26)
Adjusted gearing	Times	7.79	5.88
Interest coverage	Times	0.43	0.47

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

**Annexure - Details of Instrument(s)**

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Complexity Levels	Issue size (Rs crore)	Rating Assigned with Outlook
NA	Cash Credit	NA	NA	NA	NA	55.00	CRISIL D
NA	Cash Credit	NA	NA	NA	NA	17.56	Withdrawn

**Annexure – List of entities consolidated**

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
Parsvnath Landmark Developers Private Limited	Full	Subsidiary
Parsvnath Infra Limited	Full	Subsidiary
Parsvnath Film City Limited	Full	Subsidiary
Parsvnath Hotels Limited	Full	Subsidiary
PDL Assets Limited	Full	Subsidiary
Parsvnath Estate Developers Private Limited	Full	Subsidiary
Parsvnath Promoters and Developers Private Limited	Full	Subsidiary
Parsvnath Developers Pte. Limited	Full	Subsidiary
Parsvnath Hessa Developers Private Limited	Full	Subsidiary
Parsvnath Buildwell Private Limited	Full	Subsidiary
Parsvnath HB Projects Private Limited	Full	Subsidiary
Parsvnath MIDC Pharma SEZ Private Limited	Full	Subsidiary
Parsvnath Realcon Private Limited	Full	Subsidiary
Parsvnath Reality Ventures Limited	Full	Subsidiary
Vasavi PDL Ventures Private Limited	Full	Subsidiary
Farhad Realtors Private Limited	Full	Subsidiary
Parsvnath Rail Land Project Private Limited	Full	Subsidiary
Suksma Buildtech Private Limited	Full	Subsidiary
Jarul Promoters and Developers Private Limited	Full	Subsidiary
Snigdha Buildwell Private Limited	Full	Subsidiary
Generous Buildwell Private Limited	Full	Subsidiary
Evergreen Realtors Private Limited	Full	Subsidiary
Vardaan Buildtech Private Limited	Full	Subsidiary
Ratan Parsvnath Developers (AOP)	Partial	Joint Venture
Amazon India Limited	Partial	Associates
Home Life Real Estate Private Limited	Partial	Associates

**Annexure - Rating History for last 3 Years**

Instrument	Type	Current		2021 (History)		2020		2019		2018		Start of 2018
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Fund Based Facilities	LT	72.06	CRISIL D		--		--	10-10-19	CRISIL D	28-11-18	CRISIL D	CRISIL D
					--		--	16-01-19	CRISIL D		--	--

All amounts are in Rs. Cr.





**Annexure - Details of various bank facilities**

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit	55.00	CRISIL D	Cash Credit	72.06	CRISIL D
-Cash Credit	17.56	Withdrawn	Long Term Loan	2.5	Withdrawn
<b>Total</b>	<b>72.06</b>	<b>-</b>	<b>Total</b>	<b>74.56</b>	<b>-</b>

**Links to related criteria**

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[CRISILs Rating criteria for Real Estate Developers](#)

[CRISILs Approach to Recognising Default](#)

[CRISILs Criteria for Consolidation](#)

[CRISILs Bank Loan Ratings](#)

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[https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/ParsvnathDevelopersLimited\\_January 29, 2021\\_RR.html](https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/ParsvnathDevelopersLimited_January 29, 2021_RR.html)



1/30/2021

## Rating Rationale

the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: [www.crisil.com/ratings/credit-rating-scale.html](http://www.crisil.com/ratings/credit-rating-scale.html)

