

PDL/SEC./SE/2018-19/

April 19, 2018

National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

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

Scrip Code: PARSVNATH – EQ (NSE): 532780 (BSE)

Sub: Downgrading of CRISIL Rating on Non-Convertible Debentures of the Parsvnath Landmark Developers Private Limited, a wholly owned subsidiary company of the Company

Dear Sirs,

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 has downgraded the rating, assigned to Rs 200 Crores Non-Convertible Debentures of Parsvnath Landmark Developers Private Limited, a wholly owned subsidiary company of the Company, to "CRISIL B+/Stable" from "CRISIL BB-/Negative".

A copy of Rating Rationale issued by CRISIL is enclosed herewith, for your information and records.

Thanking you,

Yours faithfully,
For Parsvnath Developers Limited



(V Mohan)
Company Secretary &
Compliance Officer

Enclosed : As above

Rating Rationale

April 18, 2018 | Mumbai

Parsvnath Landmark Developers Private Limited

Rating downgraded to 'CRISIL B+/Stable'

Rating Action

Rs.200 Crore Non Convertible Debentures	CRISIL B+/Stable (Downgraded from 'CRISIL BB-/Negative')
-----------------------------------------	----------------------------------------------------------

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has downgraded its rating on non-convertible debentures (NCDs) of Parsvnath Landmark Developers Pvt Ltd (PLDPL) to '**CRISIL B+/Stable**' from 'CRISIL BB-/Negative'.

The downgrade reflects lower-than-expected collections resulting from slower construction progress. Despite achieving 96% saleability in a group housing project till date, the delay in handover of Phase I and slowdown in construction progress of Phase II has adversely impacted customer advances.

The rating reflects exposure to project implementation risk and modest debt protection metrics. These weaknesses are partially offset by the favourable location of the company's La Tropicana project with healthy saleability.

Analytical Approach

For arriving at its rating, CRISIL has considered the financials of PLDPL on a standalone basis.

Key Rating Drivers & Detailed Description

Weakness

* Exposure to project implementation risk

Construction progress of Phase II has been delayed due to funding constraints, resulting in lower-than-expected customer advances. Furthermore, approval for the building plan of the economically weaker section (EWS) project (Phase 3) has been pending with New Delhi Municipal Council for over a year, thus exposing PLDPL to project implementation risk. The company is at an advance stage of tying up an additional construction finance loan to meet the pending project cost.

* Modest debt protection metrics

The company had issued Rs 200 crore of NCDs in October 2016, with a one-year interest moratorium and scheduled repayments over 36 months through October 2019. As per the initial agreement, the moratorium ended on October 12, 2017, and the first coupon of Rs 10 crore was payable. However, the stretched liquidity led to the company restructuring the first NCD coupon payment. Further, the company has restructured its coupon payment of Rs 38 crore, which was due on April 12, 2018.

Strength

* Favourable location of project with healthy saleability

The La Tropicana project is at the prime location of Civil lines, New Delhi. The project is being developed in a phased manner with Phases 1 and 2 comprising luxury apartments spread over 0.2 crore square foot (sq ft) of saleable area. These phases were launched in 2009 and have witnessed healthy saleability of about 96% as on date. Furthermore, the construction of Phase I has been completed in December 2016 with possession of flats in progress. Advances of around 90% pertaining to Phase I have been received and the balance would be received on completion of pending minor construction and possession of these flats.

Outlook: Stable

CRISIL believes liquidity will remain restricted in the near term, due to lower-than-expected cash inflow, impacted by slowdown in project progress. The outlook may be revised to 'Positive' if there is pick-up in construction progress, leading to steady cash inflow and improved debt protection metrics. Conversely, the outlook may be revised to 'Negative' if there is a further stretch in cash flow or delays in meeting the construction-linked milestones, as per NCD terms.

About the Company

PLDPL is a special-purpose vehicle, promoted by Parsvnath Developers Ltd (PDL; rated 'CRISIL D') to develop La Tropicana, a 0.23-crore sq ft residential project located at Civil Lines, New Delhi. The project, which is being executed in phases, comprises 505 luxury apartments, houses for the EWS, and commercial units, spread over a saleable area of 0.2 crore sq ft. The company is yet to launch its 40-storied building for EWS. Prior to September 2016, PDL held 78.0% equity

stake in PLDPL, with Sankaty Advisors through Sterling Pathway holding 22.0%. After the NCD issuance in October 2016, PDL has bought out Sterling Pathway's stake in the company, thereby making PLDPL its wholly-owned subsidiary.

Incorporated in 1990, PDL develops real estate projects, and has a well-diversified portfolio of residential apartments, integrated townships, commercial and retail projects, special economic zones, information technology parks, and hotels.

Key Financial Indicators

Financials as on / for the period ended March 31		2017	2016
Revenue	Rs crore	15.26	36.58
Profit after tax (PAT)	Rs crore	-6.23	-0.25
PAT margin	%	-40.85%	-0.67%
Adjusted debt/adjusted networkth	Times	1.64	0.96
Interest coverage	Times	0.50	0.97

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. 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	Issue size (Rs Crore)	Rating assigned with outlook
INE712L07016	Non-convertible debentures	13-Oct-16	16%	14-Oct-19	200	CRISIL B+/Stable

Annexure - Rating History for last 3 Years

Instrument	Current			2018 (History)		2017		2016		2015		Start of 2015
	Type	Quantum	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Non Convertible Debentures	LT	200	CRISIL B+/Stable		No Rating Change	03-08-17	CRISIL BB-/Negative	08-09-16	CRISIL BB(SO)/Stable		--	--

Table reflects instances where rating is changed or freshly assigned. 'No Rating Change' implies that there was no rating change under the release.

Links to related criteria

[CRISILs Approach to Financial Ratios](#)

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

[CRISILs Approach to Recognising Default](#)

For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p>Saman Khan Media Relations CRISIL Limited D: +91 22 3342 3895 B: +91 22 3342 3000 saman.khan@crisil.com</p> <p>Naireen Ahmed Media Relations CRISIL Limited D: +91 22 3342 1818 B: +91 22 3342 3000 naireen.ahmed@crisil.com</p> <p>Jyoti Parmar Media Relations CRISIL Limited D: +91 22 3342 1835</p>	<p>Sachin Gupta Senior Director - CRISIL Ratings CRISIL Limited D: +91 22 3342 3023 Sachin.Gupta@crisil.com</p> <p>Sushmita Majumdar Director - CRISIL Ratings CRISIL Limited D: +91 22 3342 3162 Sushmita.Majumdar@crisil.com</p> <p>Vinay Yadav Rating Analyst - CRISIL Ratings CRISIL Limited D: +91 124 672 2109 Vinay.Yadav@crisil.com</p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301</p> <p>For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com</p> <p>For Analytical queries: ratingsinvestordesk@crisil.com</p>

B: +91 22 3342 3000
[jyoti.parmar@crisil.com](mailto: jyoti.parmar@crisil.com)

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

About CRISIL Limited

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

About CRISIL Ratings

CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 1,10,000 MSMEs have been rated by us.

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of S&P Global Inc. and its subsidiaries (collectively, the "Company") you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit <https://www.crisil.com/en/home/privacy-and-cookie-notice.html>. You can view the Company's Customer Privacy at <https://www.spglobal.com/corporate-privacy-policy>.

Last updated: April 2016

DISCLAIMER

This disclaimer forms part of and applies to each credit rating report and/or credit rating rationale that we provide (each a "Report"). For the avoidance of doubt, the term "Report" includes the information, ratings and other content forming part of the Report. The Report is intended for the jurisdiction of India only. This Report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this Report does not create a client relationship between CRISIL and the user.

We are not aware that any user intends to rely on the Report or of the manner in which a user intends to use the Report. In preparing our Report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the Report is not intended to and does not constitute an investment advice. The Report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind or otherwise enter into any deal or transaction with the entity to which the Report pertains. The Report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Rating are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities / instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL assumes no obligation to update its opinions following publication in any form or format although CRISIL may disseminate its opinions and analysis. CRISIL rating contained in the Report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the Report should rely on their own judgment and take their own professional advice before acting on the Report in any way.

Neither CRISIL nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "CRISIL Parties") guarantee the accuracy, completeness or adequacy of the Report, and no CRISIL Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Report. EACH CRISIL PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. CRISIL's public ratings and analysis as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any) are made available on its web sites, www.crisil.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee – more details about CRISIL ratings are available here: www.crisilratings.com.

CRISIL and its affiliates do not act as a fiduciary. While CRISIL has obtained information from sources it believes to be reliable, CRISIL does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and / or relies in its Reports. CRISIL keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of CRISIL may have information that is not available to other CRISIL business units. CRISIL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL has in place a ratings code of conduct and policies for analytical firewalls and for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>

CRISIL's rating criteria are generally available without charge to the public on the CRISIL public web site, www.crisil.com. For latest rating information on any instrument of any company rated by CRISIL you may contact CRISIL RATING DESK at CRISILratingdesk@crisil.com, or at (0091) 1800 267 1301.

This Report should not be reproduced or redistributed to any other person or in any form without a prior written consent of CRISIL.

All rights reserved @ CRISIL