

## Press Release

### PRAGNYA SOUTH CITY PROJECTS PRIVATE LIMITED

October 31, 2024

#### Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Sh Rating
Bank Loan Ratings	50.00	ACUITE C   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

\* The issuer did not co-operate; based on best available information.

## Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE C**' (read as **ACUITE C** from '**ACUITE BB-**' (read as **ACUITE double B minus**)) on the Rs.50.00 Cr. bank loan facility of Pragnya South City Projects Private Limited (PSCPPL).

The rating downgrade is on account of delays in servicing of debt obligations by PSCPPL in term loans and irregular account conduct as per the lender's written feedback and credit bureau report. Further, account is currently classified under SMA-1 by the lender.

PSCPPL is also now flagged as issuer non cooperative on account of information risk and is based on the best available information.

## About the Company

Based in Kancheepuram, Chennai (Tamil Nadu) and incorporated as a private limited company in 2006, Pragnya South City Projects Private Limited (PSCPPL) is engaged in developing residential apartment, township in the real estate sector. It is located at Mount Poonamallee Road, Manapakkam, Chennai is developing atownship project on approx. 90 Acres of land. The project site is located just off the Old Mahabalipuram Road (OMR). L&T held 51percent stake in the company along with Pragnya (24.5 percent) and Aditya Birla (24.5 percent) until March 2017 and later shares of L&T were purchased by Pragnya in March 2017 for Rs.190 Crores and renamed L&T South City Projects Private Limited as Pragnya South City Projects Private Limited. Directors of Pragnya South City Projects Private Limited are Ajay Kumar Gopal, Naidu Narayana Reddy, Francis O Haokip, Akshat Asit Pandya.

## Unsupported Rating

Not applicable

## Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

## Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**Rating Sensitivities**

"No information provided by the issuer / available for Acuite to comment upon."

**Liquidity Position**

"No information provided by the issuer / available for Acuite to comment upon."

**Outlook: Not applicable****Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	78.06	57.36
PAT	Rs. Cr.	(21.55)	(43.00)
PAT Margin	(%)	(27.61)	(74.96)
Total Debt/Tangible Net Worth	Times	1.42	2.14
PBDIT/Interest	Times	(0.91)	(0.17)

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Aug 2023	Proposed Long Term Loan	Long Term	50.00	ACUITE BB-   Stable (Upgraded from ACUITE C)
18 Mar 2023	Proposed Long Term Loan	Long Term	50.00	ACUITE C (Downgraded from ACUITE BB+   Stable)
19 Jan 2022	Proposed Long Term Loan	Long Term	50.00	ACUITE BB+   Stable (Assigned)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE BB- )

*\* The issuer did not co-operate; based on best available information.*

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Gnanreddy Rakesh Reddy Manager-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticsupport@acuite.in">analyticsupport@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.