

Ozone Projects Private Ltd

March 25, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Non-Convertible Debentures	126.30	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Long Term Instruments	126.30 (Rs. One Hundred Twenty-Six Crore and Thirty Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Ozone Projects Private Ltd (OPPL) to monitor the rating(s) vide e-mail communications/letters dated January 22, 2021, February 17, 2021 among others 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. Further, OPPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on OPPL's instruments 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.

Detailed description of the key rating drivers

At the time of last rating on October 14, 2020, the following were the rating weaknesses (updated for information available from Debenture Trustee):

Key Rating Weaknesses

Delay in NCD interest payment: Earlier, the redemption date of NCDs fell due on June 30, 2020, regarding which CARE was not in receipt of payment confirmation. Subsequently, CARE received amended DTD, where the investor had given consent for extension of redemption by 1 year to June 30, 2021 along with revised coupon payment schedule. Based on the revised schedule, the coupon payments which fell due on July 31, 2020 and August 10, 2020 were serviced with delay on August 13, 2020 as per email confirmation from the Company received on October 13, 2020.

There was interest payment due on November 10, 2020 regarding which the Debenture Trustee had not received any confirmation from the company nor from the debenture holder.

Analytical approach: Standalone

Applicable Criteria

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

[Criteria on assigning Outlook and Credit watch to Credit Ratings](#)

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

[CARE's Policy on Real Estate](#)

About the company

Incorporated in 2005, Ozone Projects Pvt. Ltd. (OPPL) is promoted by the Bengaluru based Ozone group and is currently developing a township at Anna Nagar, Chennai called 'Ozone Metrozone'.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (Prov)
Total operating income	97.13	192.63
PBILDT	238.01	258.39
PAT	-2.10	-19.75
Overall gearing (times)	14.11	61.67
Interest coverage (times)	1.00	0.98

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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	INE636107039	June 30, 2016	14.25%	June 30, 2021	126.30	CARE D; 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (03-Apr-20)	1)CARE C (10-Jan-20)	1)CARE B; Stable (11-Jan-19) 2)CARE D; ISSUER NOT COOPERATING* (03-May-18)	1)CARE B; Stable; ISSUER NOT COOPERATING* (11-Jan-18) 2)CARE BB; Stable (27-Dec-17)
2.	Debentures-Non Convertible Debentures	LT	126.30	CARE D; ISSUER NOT COOPERATING*	1)CARE D (14-Oct-20) 2)CARE C; ISSUER NOT COOPERATING* (09-Jul-20) 3)CARE C (03-Apr-20)	1)CARE C (10-Jan-20)	1)CARE B (SO); Stable (11-Jan-19)	1)CARE B (SO); Stable; ISSUER NOT COOPERATING* (11-Jan-18) 2)CARE BB (SO); Stable (27-Dec-17)

* Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities

Name of the Instrument	Detailed explanation
A. Financial covenants	
Debentures	<ul style="list-style-type: none"> • Interest rate of 14.25% and interest shall be payable on quarterly basis • The debentures shall rank pari passu inter se without any preference of one over the others • On occurrence of default, the outstanding principal together with all other amounts due shall, forthwith, become due and payable to the debenture holders along with default interest.
B. Non financial covenants	
Debentures	<ul style="list-style-type: none"> • Until final settlement date, the issuer shall not without prior permission: • Effect any change to issuer's capital structure • Under take guarantee obligations on behalf of any other person • Declare or pay any dividends, interest or distributions of any nature

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

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.

Contact us**Media Contact**

Mradul Mishra
Contact no.: +91-22-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact

Himanshu Jain
080- 46625528
himanshu.jain@careratings.com

Relationship Contact

Nitin Dalmia
080-46625555
nitin.dalmia@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 the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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