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## Rating Rationale

February 01, 2021 | Mumbai

## VGN Projects Estates Private Limited

Rating Withdrawn

### Rating Action

Rs.400 Crore Non Convertible Debentures	CRISIL D (Withdrawn)
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1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

### Detailed Rationale

CRISIL Ratings has **withdrawn** its rating on the non-convertible debentures of VGN Project Estates Pvt Ltd (VGN) as the NCDs have been fully redeemed and there are no dues. The rating action is in line with CRISIL Ratings' policy on withdrawal of ratings.

### Analytical Approach

The rating factors in the cash flows from VGN's Fairmont and Coasta projects, as the lenders only have charge on these cash flows. The projects are located in Guindy and East Coast Road (ECR), respectively, in Chennai. VGN maintains an escrow account for the cash flows from the projects, which are used as per the pre-agreed waterfall mechanism.

### About the Company

Incorporated in 2009, VGN develops residential apartments and plots in Chennai. Mr D Pratish (promoter) holds a majority stake in the company, and the remaining is held by his wife, Ms Divya Vemuri, and mother, Ms D Padma. VGN has developed around 18 million square feet (msf) of area and has 5 msf of projects under construction.

VGN Fairmont is a residential project with saleable area of 1.8 msf. The property has 1,300 saleable units and is expected to be launched in a phased manner. VGN Coasta is a luxury residential project, with saleable area of 0.3 msf. It has one tower, comprising 16 floors, and has units with three or four bedrooms, and a hall and kitchen.

### Key Financial Indicators

As on / for the period ended March 31		2019	2018
Revenue	Rs crore	623	409
Profit after tax (PAT)	Rs crore	4	3
PAT margin	%	0.6	0.8
Adjusted debt/adjusted networkth	Times	3.44	4.34
Interest coverage	Times	1.04	1.04

**Any other information:** Not applicable

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

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### Annexure - Details of Instrument(s)

ISIN	Name of	Date of	Coupon	Maturity	Issue size	Complexity	Rating assigned
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	instrument	allotment	rate (%)	date	(Rs crore)	level	with outlook
INE723O07041	Non-convertible debentures	6-Feb-15	19%	31-Mar-20	400	Simple	Withdrawn

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

	Current			2021 (History)		2020		2019		2018		Start of 2018
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Non Convertible Debentures	LT	400.0	Withdrawn		--	29-05-20	CRISIL D	11-10-19	CRISIL D	31-05-18	CRISIL D	CRISIL D
			--		--	06-04-20	CRISIL D	24-05-19	CRISIL D		--	--
			--		--	07-01-20	CRISIL D		--		--	--

All amounts are in Rs.Cr.

#### Links to related criteria

[CRISILs Approach to Financial Ratios](#)

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

[CRISILs Approach to Recognising Default](#)

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