

August 14, 2024

Kalyani Techpark Private Limited: Rating moved to Issuer Non-Cooperating category on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term loan	1551.17	1551.17	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING*; Rating moved to the 'Issuer Not Cooperating' category
Total	1551.17	1551.17	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has moved the rating for the bank facilities of Kalyani Techpark Private Limited (KTPL) in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BBB+(Stable) ISSUER NOT COOPERATING".

The rating is based on limited cooperation from the entity since the time it was last rated in July 2023. As a part of its process and in accordance with its rating agreement with KTPL, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite cooperation and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating action has been taken in accordance with ICRA's policy on non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in Respect of Non-Cooperation by a Rated Entity Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has consolidated the financials of the group entities (Mohan Enterprises, Kalyani Techpark Private Limited and Kalyani Developers), given the close business, financial and managerial linkages among them.

About the company

Kalyani Techpark Private Limited (KTPL), incorporated in 2006, is involved in commercial real estate business in Bangalore. Till date, it has developed 33 lakh sft (KTPL's share being 23 lakh sft), which comprises three commercial office complexes located in Kundalahalli (East Bangalore) and Outer Ring Road, Bangalore. Its completed office portfolio reported close to 93% occupancy as of June 2023 with reputed tenants under long-term lease contracts.

Mohan Enterprises (ME), a partnership firm formed in 1991, is involved in the commercial real estate business in Bangalore. Till date, it has completed development of 33.3 lakh sft (company's share 26.7 lakh sft), which comprises 10 commercial office

complexes located in JP Nagar (West Bangalore), Kundalahalli (East Bangalore), Anand Nagar. It currently is developing an office complex, Kalyani Trident, under joint development agreement (50% share) with a leasable area of 1.0 lakh sft. The company's completed office portfolio had close to 89% occupancy, as on June 30, 2023, with reputed tenants under long-term lease contracts.

Kalyani Developers (KD) is a partnership firm that generates income from fitout rentals in Kalyani Techpark and a small portion of revenues from the lease of Neptune and Galaxy since June 2020. At present, KD is developing a commercial office project in Hyderabad with a total leasable area of 13.9 lakh sft. The project is being developed through joint development mode with the landowners, with KD's share being 70%.

Key financial indicators (audited)

Kalyani Group Consolidated	FY2022	FY2023
Operating income	351.4	532.4
PAT	21.1	67.7
OPBDIT/OI	64.1%	61.0%
PAT/OI	6.0%	12.7%
Total outside liabilities/Tangible net worth (times)	4.3	4.7
Total debt/OPBDIT (times)	12.1	10.1
Interest coverage (times)	1.4	1.5

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes, and amortisation; Amount in Rs. crore

Source: Company, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sl. No.	Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022
					Aug 14, 2024	Aug 01, 2023	Jul 18, 2023	Dec 20, 2022	Nov 25, 2022
1	Term loan	Long-term	1551.17	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]A- (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term Fund-based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Term loans	Aug 2017/June 2022	NA	Dec 2027/Jan 2036	1551.17	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Kalyani Techpark Private Limited	100.00%	Full Consolidation
Kalyani Developers	100.00%	Full Consolidation
Mohan Enterprises	100.00%	Full Consolidation

ANALYST CONTACTS

Rajeshwar Burla

+91 40 6939 6443

rajeshwar.burla@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Pulkit K Varshney

+91 80 4332 6427

pulkit.varshney@icraindia.com

Riddham Agarwal

+91 80 4332 6405

riddham.agarwal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.