

March 25, 2025

Concepts International India Private Limited: Ratings downgraded to [ICRA]BBB from [ICRA]BBB+; removed from Rating Watch with Negative Implications and Negative outlook assigned

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Term loan - Fund-based	140.00	140.00	[ICRA]BBB (Negative); downgraded from [ICRA]BBB+ and removed from Rating Watch with Negative Implications and Negative outlook assigned
Total	140.00	140.00	

*Instrument details are provided in Annexure I

Rationale

The rating revision with Negative outlook for the bank facilities of Concepts International India Private Limited (CIPL) factors in the weakening in its debt coverage metrics and liquidity position in absence of lease tie-ups for the commercial office asset, Concept Tech Park (CTP), post exit of CIPL's only tenant since September 2024, which earlier occupied the entire area. The company's operating revenues are estimated to decline to Rs. 6 crore in FY2025 from Rs. 17.7 crore in FY2024 on account of lack of any rental income since September 2024. Consequently, the DSCR for FY2025 and FY2026 is estimated to remain below 1.0 times. The company is currently servicing its debt obligations from the existing on balance liquidity. The ratings however favourably factors in the Sponsor commitment in providing timely financial support to the company.

ICRA is given to understand that the company is in discussions with various parties for leasing the entire area. However, in the absence of any lease tie-ups, the asset is exposed to high market risks. Nonetheless, the relatively small size of the asset and its favourable location in Udyog Vihar, Gurgaon, along with the strong leasing track record of the Sponsor, provides comfort. The Negative outlook reflects ICRA's expectation that CIPL's credit profile will remain under pressure in the near term in absence of leasing tie-up and stretched liquidity position. The company's ability to tie-up lease at adequate rental rates remains a key monitorable.

Key rating drivers and their description

Credit strengths

Strong promotor group with established track record lends financial flexibility – The company is 100% owned by the Sponsor, which is India's leading landlord of commercial real estate with a large portfolio of office properties across Bengaluru, Pune, Hyderabad, Mumbai, NCR and Chennai. The sponsor has established leasing relationships with several blue-chip multinational companies as well as Indian corporates. Its long track record in the real estate sector and a large, diverse portfolio in the retail and commercial real estate business in India provide comfort and allow it to command high financial flexibility. ICRA expects the sponsor to support CIPL in the event of any cash flow shortfall.

Favourable location – Spread over 1.85 acres, Concept Tech Park is IN Udyog Vihar, Gurugram. It is well connected to various parts of the city. The property benefits from the attractive location and healthy demand for office space in the micromarket.

Credit challenges

Significant decline in occupancy impacting the debt coverage metrics – Following the exit of the sole tenant in two phases, December 2023 and September 2024, the company’s operating revenues have declined significantly. Consequently, the DSCR for FY2025 and FY2026 are expected to remain below 1.0 times. CIPL is currently servicing its debt obligations from the existing on balance liquidity. The ratings however favourably factors in the Sponsor commitment in providing timely financial support to the company.

Exposed to high market risk – The project is exposed to significant market risk following the exit by the company’s only tenant in September 2024. ICRA is given to understand that the company is in discussions with various parties for leasing the entire area. However, in the absence of any lease tie-ups, the asset is exposed to high market risks. Nonetheless, the relatively small size of the asset and its favourable location in Udyog Vihar, Gurgaon, along with the strong leasing track record of the Sponsor, provides comfort.

Liquidity position: Stretched

In absence of any rental income with complete vacancy of the asset in September 2024, the company’s liquidity position is stretched. The cash and liquid investments of around Rs. 3 crore as on March 01, 2025 (in addition to 1 month DSRA) are sufficient to cover the debt servicing obligations for March 2025 and a major portion of debt obligations for April 2025. Timely financial support from the sponsor remains crucial in the near to medium term for CIPL to meet its debt servicing shortfall.

Rating sensitivities

Positive factors – ICRA may revise the outlook to Stable once the company is able to tie-up leases for the project at adequate rental rates, resulting in satisfactory debt protection metrics.

Negative factors – Downward pressure on the rating could emerge if the company's liquidity and debt protection indicators remain weak on a sustained basis due to inability to tie-up leases at adequate rates in a timely manner and/or if there is material delays in rental commencement. Lack of timely support from the sponsor may also result in a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in 1992 and converted into a partnership firm in March 2014 and later into private limited company on June 07, 2019, Concepts International India Private Limited (CIPL) is a part of the Blackstone Group (holds 100% stake in CIPL). The company has developed a commercial property named ‘Indiabulls Tech Park’, located at Udyog Vihar, in Gurgaon. The name of the project was changed to ‘Concepts Tech Park’ in FY2021. The project comprises commercial office space with one building, which is operational, having a total leasable area of 2.4 lakh sq. ft.

Key financial indicators (audited)

CIIPL Standalone	FY2023	FY2024
Operating income	22.9	17.7
PAT	-1.3	-1.4
OPBDIT/OI	74.7%	67.3%
PAT/OI	-5.7%	-7.9%
Total outside liabilities/Tangible net worth (times)	-4.5	-4.2
Total debt/OPBDIT (times)	8.1	11.3
Interest coverage (times)	1.1	1.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2025)				Chronology of rating history for the past 3 years					
		Amount Rated (Rs. crore)	FY2025			FY2024		FY2023		FY2022	
			Mar 25, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term-Term loan-Fund-based	Long Term	140.00	[ICRA]BBB (Negative)	26-SEP-2024	[ICRA]BBB+ Rating Watch with Negative Implications	09-OCT-2023	[ICRA]BBB+ (Stable)	20-SEP-2022	[ICRA]BBB+ (Stable)	20-AUG-2021	[ICRA]BBB (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Term loans	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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loans	May 2022	NA	May 2034	140.00	[ICRA]BBB (Negative)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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