

October 25, 2023

Divyasree NSL Infrastructure Private Limited: Continues to remain in Non-Cooperating category, Rating downgraded based 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	2402.00	2402.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain under 'Issuer Not Cooperating' category.
Long Term-Unallocated	100.00	100.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain under 'Issuer Not Cooperating' category.
Total	2502.00	2502.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is attributable to the lack of adequate information regarding Divyasree NSL Infrastructure Private Limited performance and in turn, the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the same may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Divyasree NSL Infrastructure Private Limited, ICRA has been trying to seek information from the entity to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of the requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicators: [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	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Rating Methodology Real Estate
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Divyasree NSL Infrastructure Private Limited, incorporated on 10th November 2004 in Hyderabad, is a 50:50 joint venture between Shyammaraju & Company India Pvt Ltd (Divyasree Group) and Mandava Holdings Private Limited (holding company for NSL Group) to develop commercial office space for IT/ITES companies. DNIPL owns 40 acres of land at the old Mumbai Highway in Hyderabad, of which 26 acres has been converted into a Special Economic Zone (SEZ), called 'Divyasree NSL Orion'. The SEZ can house 6.06 million sq. ft. of office space; of which 4.19 million sq. ft. has been completed and 1.87 million sq. ft. is under construction; over a land area of 30 acres. The balance area of 10 acres has been used for the development of residential villas and apartments, which have been fully sold out. The completed 4.19 million sq. ft. of Grade A commercial office space is fully leased out to reputed clients like Accenture, FACTSET, Wells Fargo, Salesforce, etc. The ongoing development of 1.87 million sq. ft. is to be delivered in phases from September 2020 to January 2022.

Divyasree group has completed commercial office space measuring 9.33 million sq. ft with assets spread across Bangalore, Hyderabad and Chennai. The company is part of Divyasree group which has completed over 9.3 million sq. ft of commercial office space across Bengaluru, Hyderabad and Chennai. The group also has presence in residential real estate development.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2020	
									25-Oct-2023
1	Term Loan	Long Term	2402.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]A (Stable)	[ICRA]A- (Stable)	
2	Unallocated	Long Term	100.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]A (Stable)	[ICRA]A- (Stable)	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Unallocated	Not Applicable

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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Term Loan-I	Nov 2017	NA	FY 2033	1200.0	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan-II	Sep 2017	NA	FY 2030	200.0	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan-III	Sep 2017	NA	FY 2031	200.0	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan-IV	Feb 2019	NA	FY 2035	302.0	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan-V	Jun 2019	NA	FY 2023	283.0	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan-VI	Jan 2019	NA	FY 2022	167.0	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan-VII	Apr 2019	NA	FY 2023	50.0	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Unallocated	NA	NA	NA	100.0	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Divyasree NSL Infrastructure Private Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Rajeshwar Burla

+91 40 4067 6527

rajeshwar.burla@icraindia.com

Subhechha Banerjee

+91 33 7150 1130

subhechha.banerjee@icraindia.com

Sweety Shaw

+91 33 7150 1180

sweety.shaw@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6169 3300

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:

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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



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