



## Press Release

### India Land Infrastructure Development Private Limited

January 22, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	11.34	IVR AA-/Stable; Withdrawn (IVR Double A Minus with Stable Outlook; Withdrawn)	IVR AA-/Stable; (IVR Double A Minus with Stable Outlook)	Rating reaffirmed & Withdrawn	<a href="#">Simple</a>
<b>Total</b>	<b>11.34 (Rupees Eleven Crore and Thirty-Four Lakh Only)</b>				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

Infomerics Ratings has reaffirmed and simultaneously withdrawn the outstanding rating of Bank facilities of India Land Infrastructure Development Private Limited (ILIDPL). The above action has been taken at the request of the company and 'No Objection Certificate' received by its lender, State Bank of India, which had extended the facilities rated by Infomerics'. The rating is withdrawn in accordance with Infomerics Policy on Withdrawal of ratings.

The rating continues to derive strength from experienced promoters and management team, leave and license agreements with the clients, strategic location of the property, reputed lessees minimising the counter party risk, comfortable debt metrics and healthy occupancy level, escrow mechanism and DSRA support. However, these rating strengths remain constrained by client concentration risk and susceptibility to cyclicalities inherent in the real estate sector.



## Press Release

**Key Rating Sensitivities: Not Applicable as ratings withdrawn**

**List of Key Rating Drivers with Detailed Description**

**Key Rating Strengths**

- **Experienced Promoters and Management Team**

ILIDPL was incorporated in 2005. The management team with Mr. Paresh Bafna as Director, has more than a decade of experience in the real estate consulting business. The Company is managed by the A-to-Z online services.

- **Leave & License Agreement with the clients**

ILIDPL has two operational assets Quadra I & Quadra II with combined leasing space of ~3.18 lacs square feet since past 15years. There exists a Leave & License Agreement between India Land Infrastructure Development Private Limited (Licensor) and its multiple tenants (Licensee). The Licensor has agreed to allow the Licensee to use and occupy the said Licensed Premises admeasuring 2.48 lakhs Sq. Ft or ~ 78% of the total space on leave and license basis for a period of 5 (five) years on terms and conditions as mutually agreed upon by both the Licensor and Licensee. This ensures a steady stream of rental incomes and revenue visibility for the Company.

- **Strategic Location of the Property**

The commercial building, Quadra I and Quadra II are located at Hadapsar, Pune which is a strategic hub for IT/ITES industry. Apart from its strategic location, its proximity to Pune Airport is an added advantage.

- **Reputed Lessees minimising counter party risk**

The company complex is operational with sufficient occupancy level of around ~ 78% as on November 30, 2024, and all the lessees are of either most reputed multinationals or are of international repute like TCS, HCL and Nalco Water India Limited. Typically, having reputed tenants helps minimizing counter party credit risk in lease rental discounting type of structures.



## Press Release

- **Comfortable debt metrics and healthy occupancy level**

ILIDPL has rental income of Rs. 23.53 crore from the considered LRD projects. The gross cash accruals stood at Rs.14.98 crore for year ended March 31, 2024, at company level against repayment done during the year of Rs. 13.01 Crore (Rs.12.00 crore principal and Rs. 1.01crore interest). Quadra I is 57% occupied by tenants namely Nalco Water India Limited (NWIL), and HCL Technologies Ltd while Quadra II is 100% occupied by Tata Consultancy Services (TCS) currently. The company is currently repaying the loan in accelerate manner with monthly principal repayment of Rs. 1.00 crore versus scheduled repayment of Rs. 0.30 crore.

- **Escrow mechanism and DSRA support**

The company has maintained DSRA, equivalent to 3 months' repayment (interest and principal) with the lender bank. An Escrow account is maintained by the Company in which all the rental incomes are routed, and a separate account is opened for the receipt of Common Area Maintenance (CAM) charges. This gives an additional comfort for the rated debt.

### Key Rating Weaknesses

- **Client Concentration Risk**

As on March 31, 2024, ILIDPL has leased out ~78% of its total leasable area. Out of total leased area - 62.38% is leased to Tata Consultancy Services, 32.11% to Nalco Water India Limited and 5.51% to HCL. This entails a high client concentration risk as any non-renewal of existing clients, or any downward revision of rentals can jeopardise the Company's cash flows. Although there is high client concentration risk, it is mitigated by the fact that all the clients are big corporates in currently booming IT/ITES sector with strong revenue potential and majority of the clients have been in the same location since long time. Further the lock in period till 2026, provides medium term revenue visibility.



## Press Release

- **Susceptibility to Cyclicity Inherent in The Real Estate Sector**

The real estate sector is volatile in nature with an inherent liquidity risk associated to it. There may be fluctuations in cash flows due to delayed realization & changes in regulatory requirements.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[LRD Rating methodology](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of Rating](#)

**Liquidity – Strong**

The liquidity profile is strong backed by stable rental inflows which are sufficient to cover the maturing debt obligations. Also, the rated loan is backed by liquidity support in the form of DSRA which cover 3 months of debt servicing obligations (principal, interest). The Company has unencumbered cash and bank balances of around Rs.3.57 crore as of March 31, 2024.

**About the Company**

ILIDPL is a Private Limited company incorporated in 2005. It is promoted by M/s Laguna Developers Private Limited and M/s VRS Developers Private Limited.



## Press Release

### Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	32.96	27.30
EBITDA	19.97	17.25
PAT	16.69	11.44
Total Debt	13.44	19.22
Tangible Net Worth	123.72	135.15
EBITDA Margin (%)	60.59	63.19
PAT Margin (%)	46.96	38.62
Overall Gearing Ratio (x)	0.11	0.14
Interest Coverage (x)	181.55	12.41

\* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil

### Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2024-2025)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022
					Date (November 14, 2023)	Date (March 14, 2023)	Date (December 15, 2021)
1.	Term Loan	Long Term	11.34	IVR AA-/Stable; Withdrawn (IVR Double A Minus with Stable Outlook; Withdrawn)	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)	IVR AA-/Stable Outlook (IVR Double A Minus with Stable Outlook)

### Analytical Contacts:

Name Gaurav Jain

Tel: (020) 29913006

Email: [gaurav.jain@infomerics.com](mailto:gaurav.jain@infomerics.com)



## Press Release

### **About Infomerics:**

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.





## Press Release

### Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Facility – Term Loan	-	-	-	March 2028	11.34	IVR AA-/Stable; Withdrawn

**Annexure 2: Facility wise lender details (Hyperlink to be added): Not Applicable**

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).