

October 27, 2023

The Manager,
Bombay Stock Exchange (BSE),
1st Floor, P J Towers,
Dalal Street,
Mumbai 400001

Dear Sir,

Sub: Intimation regarding obtaining of Credit Rating as required under Regulation 55 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: ISIN INE0LQT08018 Security Code 974664

With reference to the above, we wish to inform you that, there is no change in credit rating of the Company. Following are the details of credit rating obtained from India Ratings and Research Private limited , a SEBI Registered Credit Rating Agency.

1	Credit rating obtained in respect of	Unsecured, Senior, Rated, Listed, Redeemable, Non-Convertible Debentures. issued in aggregate value INR 200,00,00,000/- (Indian Rupees Two Hundred Crores only)
2	Name of the Credit Rating Agency	India Ratings and Research Private limited
3	Date on which credit rating obtained	25 th October 2023
4	Credit rating	IND BBB-/Stable
5	Revision in Credit rating	IND BBB-/Stable
6	Reason provided by the Agency for downward revision, if any	Not applicable

We request you to take the same on record.

For and behalf of Bangalore Tower Private Limited



Chandrashekar. S
Company Secretary and Compliance Officer

Mr. NG Boon Wah
CFO
Bangalore Tower Private Limited
The Cube @ Karle Town Center, 2nd floor,
100 ft Road, Nada Prabhu Kempe Gowda Main Road,
Adjacent to Nagavara Lake, Bengaluru 560045

October 25, 2023

Dear Sir/Madam,

Re: Rating Letter for NCD of Bangalore Tower Private Limited

India Ratings and Research (Ind-Ra) has affirmed Bangalore Tower Private Limited's (BTPL) non-convertible debentures (NCDs) as follows:

Instrument Type	ISIN	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
NCDs	INE0LQT08018	9.8%	14 March 2026	INR2,000	IND BBB-/Stable	Affirmed

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Abhash Sharma
Senior Director

India Ratings Affirms Bangalore Tower's NCDs at 'IND BBB-'; Outlook Stable

Oct 25, 2023 | Residential | Commercial Projects

India Ratings and Research (Ind-Ra) has affirmed Bangalore Tower Private Limited's (BTPL) non-convertible debentures (NCDs) as follows:

Instrument Type	ISIN	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
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Analytical Approach: Ind-Ra continues to take a standalone view of BTPL. The rating factors in the inherent benefit of its association with Singapore-based Keppel Corporation Limited and its subsidiaries (the Keppel group).

Key Rating Drivers

Favourable Location of Metro Office Project to Support Demand: The under-construction commercial project is located in Yeshwanthpur, which is an emerging location in the northwest micro market of Bengaluru with established social infrastructure and connectivity. It has emerged as a new growth corridor due to the shifting of the airport to North Bengaluru and houses some of large business houses and IT/ITeS companies. It has limited availability of Grade A offices and is located close to the central business district, leading to almost nil vacancy. Ind-Ra believes that the limited availability of Grade A office space and developable land parcels in the vicinity of the project would benefit the proposed commercial development.

Strong Support from Sponsor Group: The tangible financial support provided by the parent and sponsor group is in the form of regular equity infusions and compulsorily convertible debentures. The total balance cost of the project as on 30 June 2023 was around INR10,884 million and is to be funded in a debt-equity ratio of 60:40. The sponsor invested INR3,582 million till September 2023 in the project towards land consideration and approval-related costs. The sponsors have made a further commitment of infusing around INR31 billion in the form of compulsorily convertible debentures. The sponsor group has the financial flexibility to support the project, both in terms of committed contribution and to fund any cost overrun, if any. India as a market is gaining prominence in its portfolio and the Keppel group plans to expand its scale in the country. This shows BTPL has moderate-to-strong operational and strategic linkages with Keppel group. Furthermore, the current

debt of INR4.45 billion is guaranteed by the sponsor, Singapore-based Keppel Land Limited. However, the presence of same is credit neutral. The Keppel is one of the multinational groups in Singapore with key businesses in real estate, infrastructure, data centre & network, and has a presence in more than 20 countries.

Susceptibility to Project Implementation Risk in Developing Leasable Space: The project faces an implementation risk, given the asset is at an early stage of development. BTPL is developing the project on a total leasable area of 1.46 million square feet wherein the occupancy certificate is likely to be received by November 2026. For phase-2, a request for the development plan approval has been applied, and management expects the same to be received by December 2023. Additional floor area ratio (from 3.25 to 4.25) will be procured by January 2024, and the management expects the commencement certificate for Building 2 to be received by February 2025 post-completion of four basements. Thus, the project remains susceptible to time and cost overruns. Any delay in the project construction, leading to a delay in the operations and leasing, can impact the cash flows. Hence, the timely completion and leasing of the area will continue to be a key rating sensitivity.

Financial Closure Pending, Comfort Driven from Lower Loan-to-value (LTV): The company has tied up a debt worth INR4,450 million as against the estimated total debt requirement of INR8,220 million; however, this does not correspond to the debt required for the estimated retention and final claim amount of about INR1,880 million as it would be required after the project completion. Moreover, as the tenor of such debt is shorter than the total period required to complete the project, BTPL will also have to refinance the same during the construction of the project. The sanctioned debt that is tied up stipulates a debt cap of INR4.45 billion, which can impact the financial closure if the same is not being repaid on time. In the event of any delay or challenge to refinance the proposed debt and tie-up for the balance portion of the debt at a later stage, it will jeopardise the project completion and remain a key rating monitorable.

However, Ind-Ra derives comfort from the project's lower LTV of 20% at the current sanctioned debt of INR4.45 billion, even at the estimated peak debt level of INR8,220 million during the construction phase of the project. The LTV is unlikely to exceed 43%. In case the debt is to be converted into lease rental discounting upon the project completion, it should be adequate to ensure servicing of the peak debt estimated for the project. The lease rental discounting facility should also be sufficient to pay the estimated retention and final claim amount of about INR1,880 million. Furthermore, as informed by the management, the asset may be eventually acquired by Keppel fund & companies or there could be a partial divestment to the extent of the terminal value, which will ensure sufficient liquidity towards retiring the peak debt raised towards the project.

Liquidity Indicator – Adequate, Provided Achievement of Financial Closure: BTPL had cash and cash equivalents of just INR181 million as of June 2023. However, Ind-Ra considers the liquidity position is adequate, driven by the high probability of refinancing and upsizing of the debt as the project progresses, backed by the comfortable LTV levels and support extended by the sponsor group. Furthermore, the current debt level of INR4.45 billion has a bullet repayment in March 2026. The interest cost on current debt will be funded from equity infusions from Keppel Land Limited, thereby providing comfort during the construction phase. The sponsor group has adequate financial flexibility to support the project, both in terms of committed contribution (under existing loan terms) and to fund any cost overrun.

Exposure to Cyclicity in Real Estate Sector: The real estate sector in India is cyclical, resulting in high fluctuations in cash inflows because of volatility in realisations. Rental collections (key source of revenue) are susceptible to economic downturns, which constrain tenants' business risk profile and, therefore, occupancy and rental rates. However, Ind-Ra believes the extensive experience of the Keppel group may help reduce the impact of the cyclicity in the real estate sector.

Rating Sensitivities

Positive: The following developments could, individually or collectively, lead to a positive rating action:

- timely financial closure for the entire project debt amount at reasonable interest costs and timely infusion of equity by the sponsor as envisaged
- progress in the project with at least 50% of the total project cost (excluding interest cost) incurred and all basic approvals obtained for phase 2, without any time/cost overrun

Negative: The following developments could, individually or collectively, lead to a negative rating action:

- a delay or cost overrun in project execution
- higher-than-expected debt levels or lower-than-anticipated fund infusion by the sponsor group leading to a weakening of the capital structure.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG factors are credit neutral or have only a minimal credit impact on BTPL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

Company Profile

Incorporated in October 2021, BTPL is developing a commercial project in Yeshwantpur, Bengaluru, on a plot admeasuring 7.63 acres. The total leasable area of the under-construction commercial office project is 1.46 million square feet. BTPL is 100% held by the entities affiliated to Keppel Land Limited and the property arm of the Keppel group.

FINANCIAL SUMMARY

Particulars (INR million)	1QFY24	FY23	FY22
Revenue	170	465	25
Profit after tax	-6	-316	-20
Interest expenses	51	475	409
Gross debt	2,533	2,358	3,267
Cash	181	342	275
Net debt	2,352	2,015	2,991
Investment property under development	6,319	6,252	5,120
Tangible net worth	2,449	2,455	1,757
Net debt/ investment property under development (x)	0.37	0.32	0.58
Net debt/ tangible net worth (x)	0.96	0.82	1.70
Source: BTPL, Ind-Ra			

Non-Cooperation with previous rating agency

Not applicable

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (million)	Rating	22 September 2023	27 October 2022
Issuer rating				WD	IND BBB-/Stable
NCDs	Long-term	INR2,000	IND BBB-/Stable		IND BBB-/Stable

Complexity Level of Instruments

Instrument Type	Complexity Indicator
NCDs	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Contact

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APPLICABLE CRITERIA

Evaluating Corporate Governance**Corporate Rating Methodology****The Rating Process****DISCLAIMER**

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