



## Press Release

**Dorne Realty Pvt. Ltd.**

**December 08, 2023**

### Ratings

Instrument/ Facility	Amount (Rs. Crore)	Current Rating	Previous Rating	Rating Action	<a href="#">Complexity Indicator</a>
Proposed Long Term Bank Facilities	130.00	IVR BB/ Negative; Withdrawn (IVR Double B with Negative Outlook and withdrawn)	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	Revised and withdrawn	Simple
<b>Total</b>	<b>130.00</b>	<b>(Rupees One hundred &amp; thirty crore only)</b>			

**Details of facilities are in Annexure 1**

### Rating Action

Infomerics Valuation and Rating Private Limited has revised the ratings and simultaneously withdrawn the long-term rating of IVR BB/ Negative, assigned to the proposed bank facilities of Dorne Realty Pvt. Ltd. The above action has been taken at the request of Dorne Realty Pvt. Ltd. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

The revision in the rating assigned to the bank facilities of Dorne Realty Pvt. Ltd. is on account of delay in the project and going forward also there is an uncertainty in execution of the project because of the regulatory issues with NGT (National Green Tribunal).

**Key Rating Sensitivities:** Not Applicable.



## Press Release

### **Key Rating Drivers with detailed description**

#### **Key Rating Strengths:**

##### **Experienced promoters and team along with an extensive track record**

Mr. Ajay Prasad (Director) has experience in the fields of strategy consultancy, due diligence, acquisition, planning, and project management. Mr. Erik Rijnbout (Director) is responsible for Taurus' Portfolio Management. The group has several professional management personnel with substantial industry experience. Taurus Investments Holdings LLC has invested and successfully managed over 120 profitable projects across the world. DRPL benefits from the industry experience of its promoters and professional management.

##### **Strategic Location along with an international project management team**

Taurus Yosemite located in Technopark phase III, Trivandrum which currently employs 60000 professionals. The development in Technopark and the constant enquiry by global majors is reshaping the business landscape in Trivandrum. The activities happening in the stretch of Kulathoor – Pallipuram, a 43 km stretch adjoining NH6. Pallipuram, is emerging as a major urban center which is situated in northern part of the city. The location also hosts Technocity, the next phase of Technopark. The digital research lab by Nissan is expected to set up in Technocity, spread across 30 acres. Other notable companies having operations in the facility include SunTec Business Solutions and TCS.

##### **Lease Agreements and necessary approvals in place**

The Company proposes to lease out the same to majorly IT Related Clients, DRPL has already leased out 55% of total leasable area to NYSE listed company and is receiving interests from various companies. DRPL has signed lease agreement with the NYSE listed company and received part security deposit, thus providing revenue visibility and guarantee at COD. Furthermore, all necessary approvals are in place.



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### **Strong Partnership – World class architects and consultants**

The company has partnered with eminent architects like Benoy and JCJR and qualified and professional consultants such as AECOM, Godrej, Geomarine, Grune and Synergy Property Developers amongst others. This will ensure avoidance of cost and time overrun to a great extent.

### **Key Rating Weaknesses**

#### **Project Implementation Risk**

The project “Yosemite” is in the initial stage and the construction is yet to begin which indicate a high degree of project implementation risk. However, the Taurus group and the highly qualified management with the existing tie-ups imparts some comfort regarding project implementation.

#### **Time and Cost Overrun due to re-designing if the project due to change in norms laid down by Covid 19**

Due to the COVID-19 pandemic and its lockdown scenario, the company faced a delay in its construction activities. The company has changed the design and increased the total area with change in the configuration of the project from 10 to 13 floors including Multilevel Car Parking of B+G+2. The decision was collectively made based on expert advice from the master architect of the group, Benoy, UK and coordination at various levels from Executive Architect – Colliers International and local architect JCJR Architects apart from market feedback for more demand in Office space in Technopark, Trivandrum keeping in view the need for larger space arising due to Covid-19 impact and maximum utilisation of the space. Construction is expected to resume and Commercial Operation Date is expected to be in January 2026

#### **Exposure to risks relating to cyclicalities in real estate industry**

Cyclicalities in the real estate segment could lead to fluctuations in cash inflow because of volatility in realisation and saleability. This may impact the debt servicing ability of the company. Dorne Realty Private Limited will remain susceptible to the inherent cyclicalities in the real estate sector.



## Press Release

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria of assigning Rating Outlook.](#)

[Policy on Withdrawal of ratings](#)

### **Liquidity – Adequate**

**Comments on liquidity:** The company maintains moderate cash and bank balance to meet its liquidity requirements. In addition, the company is expected to take the bank term loan of Rs. 130.00 Crore in the future. The overall liquidity position of the company is Adequate.

### **About the Company**

Drone Realty Private Limited is one of the two SPVs of the Taurus Investment Holdings, LLC-USA ("Taurus") Parent Company formed for constructing office space of the Technopark Phase 3. It has taken up the real estate development of Taurus Downtown Project located at Thiruvananthapuram. The project is to be designed as the nucleus and activity hub of one of India's largest business parks.



## Press Release

Financials (Standalone):

(Rs. in Crore)

For the year ended/As on*	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	0.00	0.00
EBITDA	-0.81	-0.96
PAT	-0.77	-0.61
Total Debt	0.14	0.14
Tangible Net Worth	23.21	22.92
<b>Ratios</b>		
EBITDA Margin (%)	N.M*	N.M*
PAT Margin (%)	-145.72	-70.20
Overall Gearing Ratio (x)	0.01	0.01

*\*Classification as per Infomerics' standards*

*NM= Not Meaningful*

**Details of Non-Co-operation with any other CRA:** Nil

**Any other information:** Not Applicable



## Press Release

### Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (November 10, 2022)	Date(s) & Rating(s) assigned in 2021-2022 (September 06, 2021)	Date(s) & Rating(s) assigned in 2020-2021
1.	Proposed Long Term Facility	Proposed Long Term	130.00	IVR BB/ Negative; Withdrawn	IVR BBB-/ Stable	IVR BBB-/ Stable	-

### Name and Contact Details of the Rating Analysts:

Name: Mr. Vipin Jindal  
Tel: (011) 45579024  
Email: [vipin.jindal@infomerics.com](mailto:vipin.jindal@infomerics.com)

### 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.



## Press Release

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 visit [www.infomerics.com](http://www.infomerics.com)

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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Proposed Term Loan	-	-	-	130.00	IVR BB/ Negative (Revised and withdrawn)

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 3: Facility wise lender details**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** 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 <http://www.infomerics.com>.