



Press Release

KV Developers Private Limited

February 19, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Non-Convertible Debentures	195.50	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	-	Assigned	Simple
Total	195.50	Rupees One Hundred Ninety Five Crore and Fifty Lakhs Only			

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 assigned its rating for long term facilities as IVR BBB- with Stable outlook for the Non-Convertible Debentures of KV Developers Private Limited.

The rating draws comfort from the favorable location advantage, sufficient cash flow cover, and ongoing progress of the project. However, these strengths are partially offset by project implementation risk, geographic and project concentration risk, and inherent risk of the industry alongwith intense competition.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. IVR believes that the KV Developer's business & financials risk profile will be maintained over the medium term on account of sales of residential and commercial units expected to follow the projected trajectory.

IVR has principally relied on the audited financial results of KV Developers Private Limited up to FY24 (refers to period from April 01, 2023 to March 31, 2024) and projected financials for FY25, FY26 and FY27, along with publicly available information/ clarifications provided by the company's management.



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Key Rating Sensitivities:

Upward Factors

- Substantial improvement in the sales and collections in the ongoing projects.
- Timely completion of project.
- Timely servicing of debt obligations.

Downward Factors

- Substantial cost overruns and delays in project completion.
- Decline in debt protection metrics.
- Slower-than-expected sales of ongoing projects, leading to lower-than-anticipated collections.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Favourable Location Advantage

The company's project is strategically located in Greater Noida, offering excellent connectivity with the Meerut Expressway, Greater Noida Expressway, and Eastern Peripheral Expressway. It is adjacent to the IT/Institutional sector and just a 5-minute walk from prominent schools. The area also features shopping malls, multiplexes, restaurants, hotels, and is near the proposed Namo Bharat Metro line. This prime location, coupled with the promoter's strong reputation, ensures the project's strong marketability and successful execution.

Sufficient Cash Flow Cover

The project is being financed through a mix of debt, customer advances, and promoter equity. Based on the projections, the company is expected to generate sufficient cash flow to comfortably meet its debt servicing requirements as evidenced by above unity cash flow coverage ratio of the project throughout the projections. On an overall basis, projected cash flow appears to be adequate.



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Project Update

KVD Wind Park is in Greater Noida and is registered with UPRERA. The project consists of total 924 residential units in 7 towers (out of 7 towers, 5 towers are at an advance stage of construction) and 44 commercial shops with saleable area of 11,08,786 Sq. fts (including Green FAR 55,000), which is being developed on land of 19986 Sq. mt. in phased manner (Phase 1A, Phase 1B and Phase 2). The company has incurred ~41.10% of the total cost of the project till December 31, 2024. As on December 31, 2024, the company has sold ~47.83% units out of 968 units which have a sales consideration of Rs. ~179.04 crore and received Rs. 105.15 crore of customer advances translating into ~58.73% of sales consideration of sold units. The unsold inventory of all provides revenue visibility in the medium term.

Key Rating Weaknesses

Project Implementation Risk

The project is currently under construction, with tower completion scheduled for November 2028 as per RERA. The company's ability to meet this timeline is contingent on several external factors, including the timely receipt of regulatory approvals, customer advances, and the issuance of NCD by SWAMIH Investment fund which together constitute a significant portion of the total funding required for the project. Delays in any of these areas could impact the overall project execution.

Geographic and Project Concentration Risk

The company faces geographic concentration risk, as the majority of its projects are located in the Greater Noida real estate market. Any downturn or unfavorable changes in the Noida real estate market could negatively affect the company's sales and collections.

Inherent Risk of The Industry Alongwith Intense Competition

The company is exposed to the cyclical nature of the highly competitive real estate sector, which can lead to fluctuations in cash inflows due to volatility in property sales. This may impact the company's ability to service its debt. Additionally, KVD remains vulnerable to the



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industry's inherent cyclical nature and faces strong competition from regional players, which could further affect its market position and financial performance.

Analytical Approach: IVR has analysed K V Developers Private Limited credit profile by considering the standalone financial statements of the company. Additionally, as now KV Developers is completely owned by ReaRCo, the ReaRCo financial statements are also considered to assess its liquidity position.

Applicable Criteria:

[Rating Methodology for Real Estate Companies.](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

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

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

Liquidity: Adequate

The liquidity of company is adequate evident by a projected average cumulative cash flow cover of 2.14x during the projected period. The company has received around Rs. 105.15 crore from the customers for the booked units as on 31st December 2024 which has a sale value of Rs. ~179.04 crore, however the future sales realizations and advances are expected to support the liquidity. The cash and bank balance stood at Rs. 3.41 crore as on 31st March 2024. The overall liquidity position of the company is Adequate.

About the Company

KV Developers Pvt Ltd ("Company" or "Developer") is developing a Group Housing Project named "KVD Wind Park" on land of 19,986 Sq. mt. 215,049 Sq. ft., situated at Plot No. DV-GH-01B, Sector TechZone-IV, Greater Noida, Uttar Pradesh. The project has been acquired by the current promoters, ReaRCo Private Limited, under corporate insolvency resolution process initiated by LIC Housing Finance Limited in accordance with Insolvency and Bankruptcy Code, 2016. Post approval of the resolution plan by NCLT in April 2023, KVD is now 100% owned by ReaRCo Private Limited. The project is UP RERA registered.



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Financials (Standalone):

(Rs. Crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	0.00	0.00
EBITDA	-0.93	-3.03
PAT	-1.92	-4.23
Total Debt	103.14	74.05
Tangible Net Worth	15.01	31.11
EBITDA Margin (%)	-	-
PAT Margin (%)	-	-
Overall Gearing Ratio (x)	6.87	2.38
Interest Coverage (x)	-0.98	-1.45

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: ACUITE has put the case under issuer non co-operating category vide their press release dated December 20, 2023 due to non submission of required information by the issuer.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 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
1.	Non-Convertible Debentures	Long Term	195.50	IVR BBB-/ Stable	-	-	-

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.

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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
Non-Convertible Debentures	INE0SA107012	July 22, 2024	12.00%	July 22, 2029	100.00	IVR BBB-/Stable
Non-Convertible Debentures (Proposed)	-	-	12.00%	-	95.50	IVR BBB-/Stable

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-KVDevelopers-feb25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

NCD of Rs 100 Crores

ISIN	INE0SA107012
Secured/ Unsecured	Senior secured non-convertible debentures
Listing Status	Unlisted
Debenture Trustee	Catalyst Trusteeship Limited
Amount	Rs. 100.00 crore
Tenor	Up to 60 months from the Date of 1st Allotment.
Issue Price	Rs. 10,00,000 per NCD
Repayment	The NCDs will be redeemed at an amount equal to the Issue Price plus the amount of Committed Return and Additional Return (if Applicable).
Frequency of Coupon Payment	Bullet Repayment.
Coupon Rate p.a.	12.0%
Financial Covenant	<ul style="list-style-type: none">1% above coupon rate if Project progress fails to meet agreed milestones, calculated from the next Quarter until breach is cured to Investor's satisfaction.3% above coupon rate in case of Event of Default or external redemption (e.g., debt refinance, group cash



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	flows), calculated from the default date until cured to Investor's satisfaction.
Rating Covenant	<ul style="list-style-type: none">• Nil
Non-Financial Covenant	<ul style="list-style-type: none">• Promoters/Company must cover any shortfall in repayment to Existing Lender from their own funds. SWAMIH Fund cannot be used.• Company/Holdco cannot alter its shareholding structure without prior written consent from the Fund.• Developer to undertake to deposit all the project receivables into designated Escrow account as specified by Investor as per terms of transaction documents.• Investor will appoint a Project Monitoring Consultant and Financial Consultant to oversee Project progress and fund use. Investor can reduce the amount annually based on internal progress review. NCDs will be fully marketable, and the Investor can assign them to another financial institution without Issuer/Company consent.

Proposed NCD of Rs 95.50 Crores

ISIN	--
Secured/ Unsecured	Senior secured non-convertible debentures
Listing Status	Unlisted
Debenture Trustee	--
Tenor	Up to 60 months from the Date of 1st Allotment.
Issue Price	Rs. 10,00,000 per NCD
Repayment	The NCDs will be redeemed at an amount equal to the Issue Price plus the amount of Committed Return and Additional Return (if Applicable).
Frequency of Coupon Payment	Bullet Repayment.



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Coupon Rate p.a.	12.0%
Financial Covenant	<ul style="list-style-type: none">• 1% above coupon rate if Project progress fails to meet agreed milestones, calculated from the next Quarter until breach is cured to Investor's satisfaction.• 3% above coupon rate in case of Event of Default or external redemption (e.g., debt refinance, group cash flows), calculated from the default date until cured to Investor's satisfaction.
Rating Covenant	<ul style="list-style-type: none">• Nil
Non-Financial Covenant	<ul style="list-style-type: none">• Promoters/Company must cover any shortfall in repayment to Existing Lender from their own funds. SWAMIH Fund cannot be used.• Company/Holdco cannot alter its shareholding structure without prior written consent from the Fund.• Developer to undertake to deposit all the project receivables into designated Escrow account as specified by Investor as per terms of transaction documents.• Investor will appoint a Project Monitoring Consultant and Financial Consultant to oversee Project progress and fund use. Investor can reduce the amount annually based on internal progress review.• NCDs will be fully marketable, and the Investor can assign them to another financial institution without Issuer/Company consent.

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



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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.