

Technopolis Construction Company Private Limited

April 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	50.00	CARE D; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited has revised the ratings assigned to the bank facilities of Technopolis Construction Company Private Limited (TCCPL) on account of delay in the servicing of term loan obligation as per feedback from its lenders. The rating action is in line with CARE's policy on default recognition. Also, CARE Ratings Ltd. has been seeking No default statement (NDS) from TCCPL to monitor the rating(s). However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on Technopolis Construction Company Private Limited bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders, and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised and migrated to INC category due to non-submission of monthly 'No Default Statement' ("NDS") by TCCPL. TCCPL's management has remained non-cooperative and CARE has not received NDS for three consecutive months of January 2025, February 2025 and March 2025.

Analytical approach: Standalone

Outlook: No applicable

Detailed description of key rating drivers considered during last rating assignment on January 2, 2025, updated for latest information on conduct.

Key weakness

Delay in debt servicing

As per feedback from TCCPL's lender, there have been delay in debt servicing by TCCPL.

Funding Risk with high dependence on customer advances: The project is currently in the construction phase. Total cost of project Rs. 185.73 crore which is proposed to be funded by infusion from promoters of Rs. 38.72 crore (20.85%), construction funding loan from SBI of Rs. 43.00 crore (23.15%) and Rs. 104.01 crore (56.00%) from sales receipts. The project has seen moderate sales amounting to approximately 22% of total units launched for sale till November 2024. In this ongoing project, Rs. 76.83 crores have been received as customer advances against sales of Rs. 87.82 crores.

Slower sales progress though expected to increase with completion of the project: As on November 30, 2024, the company has launched about 397 units for sale of which the company is able to sell about 87 units (22%). The total sales value of the booked units is Rs. 87.82 crores. The company has received about Rs. 76.83 crore from the booked area. The customer advance receivable as % of total outstanding debt and balance construction cost ratio remained low at 13.98%.

Exposed to geographical concentration risk:

The firm is exposed to the geographical concentration risk with ongoing developments in the Hyderabad market. The group has experience in developing real estate projects in Hyderabad viz., Solitaire Amity, Solitaire Swamy, Solitaire Elite, Solitaire SHR, Solitaire Jubilee, Solitaire Pride to name a few.

Risk associated with real estate industry being subject to regulations and competition from other players:

Real estate sector demand is linked to the overall economic prospect of the country. Change in the economic outlook affects the expected cash inflows to a household, influencing their buying decision. Besides, as leverage forms an important part of funding for the buyer, availability of loan and interest rates also affects the demand of real estate properties. On the other hand, land, labour, cement, and metal prices being some of major cost centres for the sector, availability of these factors plays an important role in pricing and supply of new units. Hence, cyclicity associated with economic outlook, interest rates, metal prices, etc., also renders the real estate sector towards cyclicity. Moreover, companies in the sector are also exposed to regulatory changes,

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

especially in countries such as India with evolving regulations. Also, there exists competition from upcoming and completed projects of other well-known developers in the region.

Key strengths

Experienced and resourceful promoters:

Technopolis Construction Company Private Limited was incorporated on 20-12-2004 and ever since is in the business of construction of apartment buildings. The main promoter of the Company is Mr. P. Thirupathi Reddy, he along with his wife Mrs. P. Deepika and his son Mr. Sandesh Reddy Pendyala have established the company. He is an engineering graduate and is about 52 years of age and is having a good experience in the field of construction. He is the Managing Director of the company and is responsible for the day-to-day activities of the company. The company has so far completed fifteen projects in various sites located in Madhapur, Miyapur, Kondapur, Chandanagar, Madeenaguda, Sanath Nagar and Jubilee Hills areas.

Significant capital infusion made: The promoters have made significant infusion in the form of equity share capital and unsecured loans from promoters. Amount outstanding as on November 30, 2024, was Rs. 33.17 crores of which Rs. 7.50 crore was equity share capital while balance Rs. 25.67 crores in form of unsecured loans.

Stable industry outlook:

Demand for India's office market is likely to remain upbeat and positive in 2024, despite global economic concerns. Occupiers would prioritise high-quality office space for expanding and consolidating their operations, while pursuing cost efficiency. Additionally, an increasing rate of return-to-office could further generate pent-up demand. India's inherent advantages, including its skilled workforce and established business ecosystem, further contribute to a promising outlook, with office-based employment in major cities projected to grow 3-5% in 2024. Global capability centres (GCCs) are expected to maintain their dominant share of leasing at 35-40%, driven by expansion of existing operations and entry of smaller firms that are buoyed by India's value proposition. While traditional hubs such as Bangalore, Hyderabad, Delhi-NCR, and Mumbai remain attractive, Chennai and Pune are gaining traction due to quality space, talent availability, and economical rentals. Sectors such as BFSI and engineering & manufacturing (E&M) are driving growth, aided by India's talent pool, and would fuel demand for large modern office parks as they continue embarking on their digitalisation journeys.

Liquidity: Stretched

Stretched liquidity of Technopolis Construction Company Private Limited is characterised by customer advances received till H1 of FY25 of sale to the tune of Rs. 76.83 crore, whereas construction cost incurred is of Rs. 150.15 crore. The company has unencumbered cash balance of Rs. 1.36 crore and Rs. 10.98 crore committed receivables.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Nonfinancial Sector](#)

[Rating methodology for Real estate sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Technopolis Construction Company Private Limited is a leading construction company based in Hyderabad. Incorporated on December 20, 2004, the company has been engaged in the construction of high-quality residential and commercial buildings for over a decade. The company's office is located at 4th Floor, Technopolis, Arunodaya Colony, Madhapur, Hyderabad 500 081. The Company prides itself on having excellent human resources in all departments, including technical, marketing, purchase, administration, legal, and more. The company's long-term vision and commitment to excellence have allowed it to launch several successful residential and commercial projects in prime areas in and around Hyderabad City. The company has developed 16.95 lsf of area.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25
Total operating income	6.41	1.08	NA
PBILDT	3.37	5.31	NA
PAT	0.02	0.03	NA
Overall gearing (times)	3.07	5.09	NA
Interest coverage (times)	1.35	1.10	NA

A: Audited UA: Unaudited; NA: Not Available Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	7.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31-12-2025	43.00	CARE D; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	43.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (02-Jan-25)	-	-
2	Fund-based - LT-Bank Overdraft	LT	7.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (02-Jan-25)	-	-

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

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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Disclaimer:

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