Nostromo Developers LLP

August 14, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	480.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BBB-; Stable

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had, vide its press release dated February 19, 2026, placed ratings of Nostromo Developers LLP (NDLLP) under the 'issuer non-cooperating' category, as NDLLP had not paid surveillance fees for the rating exercise agreed to in its Rating Agreement. NDLLP continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated August 04, 2026, August 05, 2026, and August 06, 2026. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed ratings on the basis of the best available information, which however; in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while considering these ratings.

Revision in ratings is pursuant to the SEBI's circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/2 dated January 03, 2020, regarding 'Strengthening of the rating process in respect of Issuer Non-Cooperation (INC) ratings'. SEBI has stated in this circular that "If an issuer has all the outstanding ratings as noncooperative for more than 6 months, then the credit rating agency (CRA) shall downgrade the rating assigned to the instrument of such issuer to non-investment grade with INC status."

Ratings continue to remain constrained by the ongoing dispute between partners that may have bearing on the firm's operations. CareEdge Ratings notes that escalation in disputes could have bearing on the firm's performance with respect to decision-making and treasury control. However, the management had articulated at the time of last review that there is no impact on the firm's normal operations.

Analytical approach: Standalone

Outlook: Stable

'Stable' outlook reflects CareEdge Ratings' opinion that operations are expected to remain stable due to leasing nature of business model.

Detailed description of key rating drivers

At the time of last rating on February 19, 2026, the following were rating strengths and weaknesses:

Key weaknesses

Ongoing promoter dispute

There is an ongoing dispute among partners, which is currently under arbitration. The business continues to operate status-quo as of now. However, there may be impact on strategic decisions, which need to be taken by the management. Impact of prolonged dispute among partners is unforeseeable and remains a risk factor.

Moderate financial risk profile

At the current occupancy level, NDLLP is expected to generate rental income of ~₹61 crore in FY26, against expected debt of ₹ 231.5 crore as on March 31, 2026. Rental income is expected to increase from ~₹44 crore in FY25 to ~₹61 crore in FY26, as occupancy increased from 95% to 100%. Financials for FY25 have not been audited yet. Debt /rental is expected to be 3.82x by FY26-end. The firm's loan to value (LTV) is expected to be ~30% as on FY26-end. As indicated by the LLP, it does not have plans

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.
[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

to raise further debt. The firm's cash coverage ratio (CCR) is expected to remain modest in the term loan tenure, owing to moderately high leverage of the asset.

Exposure to revenue concentration and lease agreement rollover risk

NDLLP is exposed to revenue concentration risk since there are only eight tenants, of which top five tenants occupy ~85% of the total leased space. The firm's rental income is susceptible to volatility in occupancies and rental rates. Most leases are signed for a tenure of 5-10 years with lock-in period of three years. In the next five years, over 60% area shall be due renewal. Accordingly, timely renewal of lease agreements and realisation of escalations as envisaged remains crucial for effective cash flow management. However, tenants have incurred fit out costs in the range of ₹2500-3000 per sqft and weighted average lease expiry (WALE) is 5-8 years, which will contribute to tenant stickiness, mitigating vacancy risk to some extent.

Asset and geographic concentration risks

NDLLP operates on a limited scale with single project portfolio comprising 2.27 lsf of leasable area. The asset is positioned in a single micro-market at Cunningham Road, Bengaluru. The firm is exposed to geographical concentration risk, inherent to single project portfolio. Adverse development or decline in demand in such micro-market may significantly impact the firm's rentals and occupancy. Prime location of the asset reduces risk to a certain extent.

Inherent risk associated with cyclical real estate industry

The firm is exposed to cyclicality associated with the real estate sector, which has direct linkage with general macroeconomic scenario, interest rates and level of disposable income available with individuals. Rental collection remains susceptible to economic downturns, which may constrain the tenant's business risk profile, and therefore, limit occupancy and rental rates. Emergence of competing facilities in the vicinity could cannibalise tenants or rental rates. While tenants in NDLLP are established corporates and may continue to occupy the property, industry shock leading to vacancies may make it difficult to find alternate lessees within stipulated time. This could adversely impact cash flow, and hence, will be monitorable.

Key strengths

Satisfactory operational parameters

NDLLP's leased asset is characterised by steady cash flows, healthy occupancy level, and strong tenant profile. It is operating a single asset named 37, Cunningham with total leasable area of 2.27 lsf. The asset is operational since September 2023, and the occupancy rate stands healthy at 100% as on November 30, 2024. Lease agreements are executed for a tenure of 5-10 years with lock-in of three years and escalation of 15% after every three years. The property is leased out mainly to multi-national companies, such as Australian Consulate-General, Pearson India Education Services Private Limited, Columbia Sportswear India Sourcing Private Limited Snex Technologies, Neo Wealth Management Private Limited, Wework India Management Private Limited and AZB & Partners. Tenants have incurred fit out costs, and hence, tenant stickiness exists.

Favourable location and Grade A quality asset

37, Cunningham is favourably located at Cunningham Road in the Bengaluru's Central Business District. It is one of the busiest commercial streets and also one of the most premium residential localities of Bengaluru. The micro-market is well-developed with social, commercial, and economic infrastructure in the location. Its proximity with posh neighbourhoods such as Race Course Road, High Grounds and Cubbon Park add value to the high-end ambience. The property is well-maintained with quality infrastructure and sustainability features as marked by LEED Core and Shell Gold certification and WELL Certified Gold Core Structure. It is well-connected to Cubbon Park and Vidhan Soudha metro stations and other public transport options. The asset's prime location and quality infrastructure contribute to the healthy occupancy level.

Presence of escrow mechanism and debt service reserve account for debt servicing

Per terms of the loan agreement, entire cash inflows consisting of lease rentals, and other inflows (common area maintenance [CAM], and parking income, among others) are required to be routed through designated escrow account. There is a well-defined waterfall mechanism, where debt servicing takes priority over other outflows, demonstrating strong discipline. With escrow and waterfall mechanisms, the firm is also required to create debt service reserve account (DSRA) equivalent to three months principal and interest amount, which supplements the liquidity profile.

Liquidity: Adequate

Adequate liquidity is characterised by strong monthly rental collection of ~₹5 crore against monthly average interest and principal obligation of ~₹2.4 crore in FY26. Hence, the firm's net project inflows are expected to be adequate to serve debt commitments. The firm has free cash and bank balances of ₹28 crore as on December 31, 2025, which includes DSRA.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default]
[Liquidity Analysis of Non-financial sector entities]
[Information Adequacy Risk and Issuer Non-Cooperation]
[Rating Outlook and Rating Watch]
[Financial Ratios – Non financial Sector]
[Rating methodology for Debt backed by lease rentals]

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

Incorporated on February 06, 2021, NDLLP (formerly named as Midas Developers) is a limited liability partnership firm, which is jointly promoted by MFAR and Global Tech Park group. Promoted by Dr P Mohamed Ali, MFAR group is a multi-sectoral conglomerate with an experience of over three decades in construction, real estate, hospitality, and manufacturing solutions. The group has built and delivered over three million square feet (msf) of commercial office space in Bengaluru, India. Founded in 2001, Global Tech Park group is engaged in leasing commercial office space in Bengaluru and Coimbatore. Satish Chandra is the group's key promoter. NDLLP is a special purpose vehicle (SPV) formed specially for developing and leasing commercial office '37, Cunningham' on Cunningham Road, Bengaluru. Operational from September 2023, the asset has a leasable area of 2.27 lsf.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	3.77	47.56
PBILDT*	-5.01	35.39
Profit after tax (PAT)	-22.48	7.09
Overall gearing (times)	1.94	2.32
Interest coverage (times)	-0.38	1.95

A: Audited; UA: Unaudited; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) and the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	RBI	Simple	-	-	-	-	480.00	CARE BB; Stable; 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 2026-2027	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
1	Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	LT	480.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable; ISSUER NOT COOPERATING* (19-Feb-26)	1)CARE BBB; Stable (11-Dec-24)	-

*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: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge 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:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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