India Ratings Rates Pune Kharadi Tower's Proposed NCDs at 'IND BBB-'/Positive; Affirms Existing Ratings

Jan 14, 2026 | Pune Kharadi Tower Private Limited | Residential | Commercial Projects

India Ratings and Research (Ind-Ra) has taken the following rating actions on Pune Kharadi Tower Private Limited's (PKTPL) debt instruments:

Details of Instruments

Instrument Type	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Proposed non-convertible debentures#	-	-	INR2,050	IND BBB-/Positive	Assigned
Bank loan facilities	-	-	INR900	IND BBB-/Positive	Affirmed
Commercial paper*	-	-	INR7,050	IND A3	Affirmed

* CPs of INR3,118.5 million have been repaid. Awaiting no dues certificate from the lender to withdraw the rating. Out of the balance amount, CPs of INR3,189 million have been issued.
#Proposed NCDs yet to be issued.

Analytical Approach

Ind-Ra continues to take a standalone view of PKTPL to arrive at the ratings while factoring in the inherent benefit of its association with the Singapore-based Keppel Limited (KL) and its subsidiaries (the Keppel group).

Detailed Rationale of the Rating Action

The ratings reflect the material progress of the transaction between Pune Kharadi Tower Private Limited (PKTPL) and Pune-based Kohinoor group's special purpose vehicle (SPV) Silverio Developers Private Limited (SDPL) concerning the acquisition of the project Zen One in Kharadi.

The Positive Outlook considers the successful acquisition of the asset, as PKTPL has completed the acquisition of 49,999 shares of SDPL, making it a wholly owned subsidiary as on 22 August 2025. The project is complete and has received the occupancy certificate, with leasing likely commencing in 1QFY27.

The ratings also factor in the strong strategic linkages between PKTPL and the Singapore-based Keppel group, as the group is looking to expand its commercial office space footprint in India. While the Keppel group's management is looking for investor partners for acquiring the project, once acquired, it would be the group's second asset in the country out of a series of such acquisitions which the management expects to do in India over the medium term. Furthermore, upon completion, it would become one of the two operational commercial office space assets of the Keppel group (other being the Chennai project). The Keppel group currently owns/has visibility of about 5 million square feet (sf) and would be looking to add about another 10 million sf in its commercial portfolio over the next three-to-four years.

The rating also benefits the Keppel Group supporting PKTPL in the form of a corporate guarantee (CG) and consistent equity infusion to ensure interest payments on the facility availed by PKTPL. The acquisition was financed temporarily through a commercial paper (CP), maturing on 2 December 2025, which has been refinanced through issuance of a new CP maturing on 13 February 2026. PKTPL is in the process of finalising the investor partner and expects the capital infusion from both the partners (including Keppel group) prior to the maturity of CPs.

The ratings are, however, constrained by the security structure of the instruments, which are not project backed, and largely dependent on parent support and fund infusions. The tenor of the term loan has been extended by two years up to June 2027, and PKTPL will largely be dependent on the infusion of funds from the Keppel group to cover the same.

List of Key Rating Drivers

Strengths

- Project completed; OC received; strong lease interest
- Acquisition completed; company to bring in investor partner
- Favourable location
- Association with and corporate guarantee from Singapore-based Keppel group
- Likely moderate steady-state operational metrics

Weaknesses

- Liquidity supported by parent, term loan tenor extended
- No separate liquidity back-up/ carve out for CP; no CG

Detailed Description of Key Rating Drivers

Project Completed; OC Received, Strong Lease Interest: At end-October 2025, the project had been completed, including the superstructure, facade work, and internal work, and had received its full OC. The project comprised one tower with three basements, a ground floor, three podiums, and 14 floors. Although the asset is completed, the lack of pre-leasing exposes it to market risk. However, the management reports healthy interest from prospective lessees, with substantial leasing expected by FYE26. Ind-Ra will continue to monitor the leasing progress to identify any potential negative implications from leasing delays.

Acquisition Completed; Company to Bring in Investor Partner: On 22 August 2025, PKTPL acquired SDPL at an enterprise value of around INR9,132 million. An initial advance of INR895 million had already been paid to the Kohinoor group, the parent company of SDPL. The remaining consideration was adjusted and paid at the time of acquisition. To fund the remaining consideration (net of the debt in the books of SDPL), PKTPL has raised money through a CP as a bridge finance till promoter funding is brought in. The Keppel group is in discussions to onboard an investor partner for the asset. These discussions are in the final stages with the potential partner, and the management expects to finalise the partnership by February 2026. The equity from this partnership will be used to pay off the CP. Ind-Ra will continue to monitor the developments for any negative implications or unforeseen delays in the equity infusion.

Favourable Location: The location of the project is favourable to commercial developments, given the presence of a few grade A commercial projects such as Eon IT Park, the Eon Free Zone and the World Trade Centre. The project is close to residential hubs of Kharadi and Wagholi, as well as other established markets such as Hadapsar, Mundhwa, Ghorpadi and Magarpatta City in eastern Pune.

Association with and CG from Singapore-based Keppel Group: PKTPL benefits from the financial flexibility available to it from its association with the Keppel group. The company has availed a facility of INR900 million for investing into SDPL and Keppel group has provided a CG (through its wholly owned subsidiary, Keppel Infrastructure Holdings Pte Ltd) for the same. Furthermore, the Keppel group infused about INR224 million in PKTPL till end-FY25 (INR54 million in equity and INR170 million through compulsorily convertible debentures); Ind-Ra expects Keppel group to keep infusing additional funds into PKTPL to meet interest payments through FY26 and FY27, and principal repayment in FY27. Although PKTPL's management and board are different from KL or the Keppel group with no common directors, the strategic decisions are taken by the Keppel group. Considering the Keppel group's plans to expand its commercial office footprints in India, the management has represented that the Pune project would be strategically important to the company.

Likely Moderate Steady-state Operational Metrics: Ind-Ra expects the project to be operational from FY27, and the initial leasing to be around 60% in FY27. The agency further expects the company to achieve steady state in operations by around FY28, with the occupancy and rental income scaling up gradually. The management has represented that it is unlikely to increase the long-term debt levels on the project beyond the current levels. Given these, and the expected conversion of the loan against property of around INR5,370 million availed by SDPL into lease rental discounting (LRD) facility, the agency expects the steady state credit metrics to be moderate. As per Ind-Ra's base case, the steady state net leverage is likely to be moderate at 6.5x-7.0x, while the interest cover being at 1.5x-1.6x. The overall loan tenor debt service coverage (DSCR) for the loan upon conversion to LRD is likely to be more than 1.2x as per the agency's base case assumptions.

Liquidity Supported by Parent; Term Loan Tenor Extended: PKTPL had cash and equivalents of INR592 million at end-September 2025, mainly through an infusion of funds by its ultimate parent company Keppel, and unused debt raised towards the project acquisition. Furthermore, even if the asset is operationalised and rentals commence in FY27, Ind-Ra expects the ensuing rentals are unlikely to be sufficient for repaying the debt obligation over FY26-FY28.

Ind-Ra expects PKTPL to have an overall debt obligation of INR1,500 million-1,600 million (excluding a term loan repayment of INR900 million and interest on the CP raised, which are to be serviced from the equity infusion) over FY26-FY28 (for its current loan, as well as for the loan acquired from SDPL), for which the currently available funds, as well as generated rental cashflows over this period of time are likely to be slightly insufficient, and PKTPL may have to rely on the planned equity infusion by the Keppel group and a potential investor to make the payments. Furthermore, as on 2 June 2025, the company got the tenor of the term loan extended by two years up to June 2027, which is likely to entail higher interest outgo till the loan is closed. However, the management expects the company to close the loan as soon as the investor partner is finalised and the deal is completed.

No Separate Liquidity Back-Up/Carve Out for CP; No CG: PKTPL has completed the acquisition of the asset in the interim by availing a CP of about INR3,120 million, which managed the entire balance consideration to be paid by the Keppel group to the Kohinoor group for completing the acquisition. Considering there was no asset in the books of the company, the CP issued was unsecured. Furthermore, since the asset is not operational, and there is no other facility from which there is a separate carve out for the CP limit, the CP does not have adequate liquidity back-up and is completely reliant on infusion of equity by the Keppel group (and the finalised investor partner) to pay off the limit at the time of maturity.

The CP is being rolled over for a period of another three months since the terms for the promoter infusion are still under discussion with the investor partner and is likely to be finalised by 4QFY26. Since the funds of the new CP are required prior to the maturity of the existing CP, the rated amount of the CP has increased. However, the final CP exposure of the company (post repayment of the existing CP) is likely to be INR3,250 million-3,350 million. The absence of a liquidity back-up thus exposes the CP to significant refinancing risk. Furthermore, unlike the previous term loan, the CP is not backed by a CG from the Keppel group. However, KIHL has provided a letter of comfort for the CP.

Liquidity

Adequate, with parent support: PKTPL had cash and equivalents of INR592 million at end-September 2025, mainly through an infusion of funds by its ultimate parent company Keppel, and unused debt raised towards the project acquisition. Furthermore, even if the asset is operationalised and rentals commence in FY27, Ind-Ra expects the ensuing rentals are unlikely to be sufficient for repaying the debt obligation over FY26-FY28. Ind-Ra expects PKTPL to have an overall debt obligation of INR1,500 million-1,600 million (excluding a term loan repayment of INR900 million and interest on the CP raised, which are to be serviced from the equity infusion) over FY26-FY28 (for its current loan, as well as for the loan acquired from SDPL), for which the currently available funds, as well as generated rental cashflows over this period of time are likely to be slightly insufficient, and PKTPL may have to rely on the planned equity infusion by the Keppel group and a potential investor to make the payments.

Furthermore, as on 2 June 2025, the company had gotten the tenor of the term loan extended by two years up to June 2027, which is likely to entail higher interest outgo till the loan is closed. The management has, however, represented that the company is likely to close the loan as soon as the investor partner is finalised and the deal is completed.

Rating Sensitivities

Positive: Infusion of requisite capital in the company, and/ or visibility of leasing in the project could be positive for the ratings.

Negative: The following individually/ collectively could lead to a negative rating action for the company:

- a substantial delay in further capital infusion towards the project or leasing of the project
- any weakening of linkages with the parent or any deterioration in the liquidity position

Any Other Information

CP Programme Liquidity Backup: Ind-Ra typically expects investment-grade CP issuers to have a full liquidity back-up available for the outstanding CP in line with the agency's Short-Term Ratings Criteria for Non-Financial Corporates. Hence, in case of issuers rated 'IND AA-' or below, the agency usually requires CP to be carved out of the entity's fund-based working capital limits, given the higher refinancing frequency in CP. A variation from the rating criteria has been made in the case of PKTPL, given Ind-Ra's assessment that the Keppel group has adequate funding flexibility and an established track record in case of refinancing ability. Also, according to the management, the Keppel group will cover the repayment of the CP through equity infusion as and when required.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on PKTPL, 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.

About the Company

PKTPL, incorporated in January 2023, is a wholly owned subsidiary of the Keppel group. Through PKTPL, the Keppel group invested INR895 million in SDPL to acquire project Zen One in August 2025.

Key Financial Indicators

A financial summary for PKTPL is not available, as the company has no operational projects.

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Rating/Outlook	Historical Rating/Outlook			
				24 November 2025	22 July 2025	30 October 2024	3 August 2023
Bank loan facilities	Long-term	INR900	IND BBB-/Positive	IND BBB-/Positive	IND BBB-/Positive	IND BBB-/Stable	IND BB-/Stable
Commercial paper	Short-term	INR7,050	IND A3	IND A3	IND A3	-	-

Proposed non-convertible debentures	Long-term	INR2,050	IND BBB-/Positive	-	-	-	-

Bank wise Facilities Details

The details are as reported by the issuer as on (14 Jan 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Hongkong Shanghai Banking corporation	Term Loan	900	IND BBB-/Positive

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Commercial paper	Low
Non-convertible debentures	Low

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

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

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