

September 8, 2010

**CARE ASSIGNS A 'CARE BB-' RATING TO THE BANK FACILITIES OF  
INDIA LAND KGISL TECH PARK PVT LTD.**

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	123.23	'CARE BB-' (Double B Minus)	Assigned
<b>Total Facilities</b>	<b>123.23</b>		

**Rating Rationale**

The rating is constrained by the delays in interest servicing of bank loans by India Land KGISL Tech Park Private Limited (IKTPPL) during FY10 due to the liquidity crunch as a result of the downturn in the economy and substantial delay in the execution of Phase I of the project. The rating is also constrained by the low occupancy level of Phase I till date and funding risk for Phase II which has been postponed by more than three years.

The rating however, derives strength from the lower acquisition cost of land, financial support by the promoters demonstrated in the past, infusion of the entire expected equity and the advanced stage of completion of Phase I of the project.

Ability of IKTPPL to lease out space in Phase I, execute Phase II as planned and achieve the envisaged lease rentals and occupancy levels and continuation of tax benefits to units in Special Economic Zones (SEZs) in the future remain the key rating sensitivities.

**Company Profile**

IKTPPL, promoted for the development of IT Infrastructure projects in India, is a joint venture between India Land Ventures Ltd. (ILVL), a company registered in Mauritius and M/s. Coimbatore Hi-Tech Infrastructure Private Limited (CHIL). ILVL belongs to Americorp Group of Spain promoted by Mr. Kamal Fabiani and Mr. Harish Fabiani.

CHIL is part of KG Group of Companies that has diverse interests in Information Technology, Textiles, Engineering, Infrastructure, Finance, Health Care, Education, Travel and Entertainment.

IKTPPL is developing an IT SEZ on 11.74 acres of land in Saravanampatti Village, Coimbatore. The total area proposed to be developed is about 2.07 m<sup>2</sup> under two Phases, which were to be fully operational by the end of FY10. However, there were time overruns. Phase I is now expected to be fully operational by September 2010.

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

The total estimated project cost for Phase I and Phase II was around Rs.323 crore, which was proposed to be funded through a bank loan of Rs.214 crore (availed Rs.123.23 crore till June 30, 2010) and equity of Rs.109 crore (Rs.107.02 crore infused as on June 30, 2010). Phase II is proposed to be funded through promoters' contribution.

As on June 30, 2010, around 16% of the area in Phase I was under lease agreements/Letters of Intent (LOIs). The development of Phase II is now scheduled to be completed by the end of FY14.

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