



**Press Release**  
**BPTP Limited**  
**September 01, 2023**  
**Rating Reaffirmed and Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	605.25	ACUITE BBB+   Stable   Reaffirmed	-
Bank Loan Ratings	153.43	Not Applicable   Withdrawn	-
Bank Loan Ratings	152.91	-	ACUITE A2+   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	758.16	-	-
Total Withdrawn Quantum (Rs. Cr)	153.43	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of '**ACUITE BBB+** ' (read as **ACUITE Triple B 'Plus'**) and its short-term rating of '**ACUITE A2+** ' (read as **ACUITE A Two 'Plus'**) on the Rs.758.16 Cr bank facilities of B P T P Limited (BPTP). The outlook is '**Stable**'.

Furthermore, Acuite has also withdrawn its proposed long term rating on the Rs.153.43 Cr. of B P T P Limited (BPTP). The withdrawn has been withdrawn on account of the request received from the company as per Acuite policy of withdrawal of ratings.

**Rationale for reaffirmation**

The rating reaffirmation takes into account the company's established regional and brand presence of 'BPTP' in the real estate industry especially in the Delhi – NCR region. The rating also factors in the healthy project execution capabilities demonstrated by promoters by way of successful completion of numerous projects in the up-market areas of NCR. The rating also draws comfort from the sustainable improvement in the sales and collections from its on-going projects leading to improved cashflows. The rating continues to reflect the improving market position, healthy business risk profile reflected through diversified cash flow streams and large unencumbered land bank of the company. These rating strengths are partly offset by high geographical concentration risk, inherent cyclicity of the real estate sector and high outstanding liabilities (except debt).

**About Company**

B P T P Limited (BPTP) was incorporated in 2003 by Mr. Kabul Chawla in Faridabad (Haryana). BPTP (Business park town planners) is one of the largest real estate developer in terms of units delivered in the National Capital Region (NCR) and is engaged in development of real estate with presence in verticals like Residential, Commercial projects ranging from Integrated Township, Group Housing, Low Rise plotted development, Villas, Retail, Office Space, Cyber Parks and plotted land.



## Extent of Consolidation

- Full Consolidation

## Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated business and financial risk profile of BPTP Ltd along with its subsidiaries, joint ventures and its associate companies to arrive at the rating.

## Key Rating Drivers

### Strengths

#### **Established regional and brand presence of 'BPTP' in the real-estate market with experience promoter's**

BPTP was incorporated in 2003 with the main objective of developing real estate in verticals of Residential, Commercial projects ranging from Integrated Township, Group Housing, Retail, Office Space and Cyber Parks by Mr. Kabul Chawla, who has more than 2 decades of experience in the real estate industry. Mr. Kabul Chawla is a first generation entrepreneur and started his own business of development of real estate in the year 1994. Since inception, the company has acquired more than 2,500 acres of land bank primarily in Faridabad, Gurgaon and Noida. Nearly entire land bank of the company falls in approved Zones (Residential, Commercial, IT, SEZ) which strengthens the company to keep supply of realty inventory extant as per demand in the market. Since inception, on a consolidated basis, BPTP has developed/under development more than 50 million square feet of saleable area (Group Housing apartments, Low Rise Developments for both floors and plotteds, plotted development, Villas, plots, Commercial Spaces etc.) in NCR, primarily in Gurugram Market (Dwarka Expressway, SPR, Golf Course Extension), Faridabad and Noida. The Company has achieved sales value of more than Rs.12,000 Cr over the years and has delivered more than 18,000 units; of which more than 8,500 units have been delivered over last 5 years which is one of the highest in NCR region. BPTP has a diversified portfolio of contemporary commercial, residential, and retail developments, wherein each project is defined by its unique architecture, design, aesthetics and infrastructure. BPTP has not only offers viable realty with its mega township Parklands in Faridabad but has also forayed in luxury housing with various projects across the NCR. Acuité believes that promoters' extensive industry experience and leveraging of its brand equity will lead to lower implementation and demand risk associated with on-going and upcoming projects over the medium term.

#### **Demonstrated track record; improvement in sales and collections in FY2023**

BPTP has successfully completed 23 projects (excluding plotted) (20 - low rise and group housing projects and 3 - commercial projects) in the past covering a cumulative area of ~149.44 lakh square feet with a project cost of approx. Rs.2565 Cr by constructing 9,475 units until March 31, 2023. Only 3 percent (295) of units are yet to be booked out of 9,475 units of the completed projects. These mainly pertains to the towers/phases which were launched at the last leg of the projects. Entire construction cost has been incurred except a minimal amount which will be incurred before a unit is delivered to customer for finishing purpose. From the total launched projects, the sold and unsold receivables is more than Rs.4000 Cr. for which the balance cost is around 10 percent. Also, ~8 percent of the total sales value is to be received from unsold inventory. However, the project cost has already been recovered. The successful completion and receipt of customer advances with moderate reliance on debt in past projects shows management's conviction in continuously executing larger scale projects. Additionally, it has 7 on-going residential and commercial projects with saleable area of ~81.82 lakh sq ft across Faridabad and Gurugram which comprises of low rise and group housing projects in Noida.

BPTP has been witnessing higher demand of the plotted land which is evident from the facts of sales and collections over the last 2 years ending FY2023. The total collections stood at ~Rs.1206 Cr. in FY2023 as against Rs.901.72 Cr. in FY2022 out of total sales value of Rs.1498 Cr in FY2023 and Rs.1156 Cr. in FY2022 respectively.

Acuité believes that BPTP's demonstrated execution capabilities and entrenched brand equity in the NCR market will continue to help in recording improved sales and collections.

### **Strong enterprise value backed by huge unencumbered land bank; diversified streams of cash inflows**

BPTP has diverse streams of cash inflows with presence in residential, commercial, plotted land developments and outright land sale. These are further fragmented into retail, office spaces, shops, group housing, low rises, townships and others. With presence in variegated real estate segments, BPTP can hinge on multiple sources of cash inflows. Besides, BPTP at present reigns on a strong enterprise value of more than Rs.12,000 Cr; backed majorly by its huge unencumbered land bank acquired at competitive price a decade ago. Acuité believes that strong enterprise value will assist the company in generating smoother cash inflows and diversified revenue streams will aid the company to overcome segmental concentration risks over the medium term.

### **Moderate project risk associated with on-going projects (except commercial projects); adequate sources of cash inflow over the medium term**

BPTP is presently developing 7 residential/commercial projects across Faridabad and Gurugram along with plotted developments. These projects in Faridabad and Gurugram have been funded through a fair mix of debt, equity and customer advances. Regardless, the reliance on debt has been moderate ( $\approx 50$ -60 percent of the aggregate project cost). Entire debt had been drawn down and equity had been infused long back as the projects are in the last leg of completion. Healthy bookings vis-a-vis construction indicates moderate implementation and demand risk with low funding risk for the residential projects. Furthermore, BPTP's term loans remain prepaid by a year almost through its healthy customer advances which get adjusted through prescribed sweep ratio. Management has indicated Acuité that the reliance on long term debt is expected to lower in the near to medium term as it has been generating ample of cashflows to take up upcoming construction.

Acuité believes that the project status of the above-stated projects exhibits an assured source of cash inflow for the medium term. Additionally, with decent portion of construction and bookings in place, the company has moderate project risk associated with on-going plotted development projects.

### **Weaknesses**

#### **High geographical concentration risk in revenue profile and customer related risk associated with on-going projects**

BPTP's on-going projects are in NCR majorly in Faridabad, Gurugram and Noida; it has no plans to diversify in the medium term. Acuité believes that BPTP would remain geographically concentrated until the start-up and successful completion of any project and receipt of healthy customer advances through the sale of entire units in any other region in future. Furthermore, BPTP would continue to remain exposed to intense competition from larger players in NCR like Residential/Group Housing (DLF), Emmar Properties, Omaxe Limited, M3M India, ATS Infrastructure Limited (ATS) amongst others. Moreover, BPTP holds high customer related risks w.r.t. its on-going projects due to delay in receipt of occupancy certificates for the projects which were launched long back and w.r.t. delay in construction activities in few projects. This risk emanated from the past events to give an exit to the PE investors.

#### **Reduction in other liabilities (except for debt) to remain key monitorable**

BPTP's trade payables and other current liabilities and provisions were at Rs.1965.35 Cr. and Rs.1497.57 Cr. as on March 31, 2022 against Rs.2,415.34 Cr and 1,549.17 Cr (includes majorly customer advances) as on March 31, 2021. The trade payables majorly consisted of external development charges, vendor payables and payables to group companies. The reduction in such liabilities would remain key monitorable over the medium term.

#### **Inherent cyclicity in Real Estate Sector**

The real estate industry in India is highly fragmented with most of the real estate developers, having a city-specific or region-specific presence. The risks associated with the real estate industry are cyclical in nature of business with drop in property prices and interest rate risk, among others, which could affect the operations.

## ESG Factors Relevant for Rating

The infrastructure development industry has a significant social impact since it is a labour intensive business. Further, community support and development, employee safety and human rights are material factors from the social perspective. Governance issues that assume relevance include board and management compensation, shareholders rights and board diversity. Factors such as business ethics, management compensation and board diversity hold primary importance apart from audit control with regards to governance.

BPTP (Business park town planners) is one of the largest real estate developer in terms of units delivered in the National Capital Region (NCR) and is engaged in development of various verticals of real estate. The business is primarily managed by the promoter but they have 2 independent directors and 3 non-independent directors in the board of directors. It has constituted a CSR Committee and has formulated a CSR policy in line with the guidelines in the Companies Act 2013. Under its Corporate Social Responsibility (CSR) activity, BPTP has undertaken rural development project viz. Supply of Good Earth and Road Development together with implementing agencies (CSR Project of Good Earth). The scope of the CSR project being Earth Filling certain road in Faridabad and development of road to connect it with the main road for the benefit of farmers and rural households. The company's ability to adhere to the regulatory aspects in its existing business in a consistent manner and to resolve the past tax claims will be the key aspects for its ESG assessment going forward.

To add further, BPTP's majority of projects are pre-certified under the IGBC Green Homes rating of Silver/Gold/Green by Indian Green Building Council (IGBC) which demonstrates an intent to design and build a high performance structures in accordance to IGBC Green homes Criteria.

## Rating Sensitivities

- Timely completion of construction or timely realization of customer advances pending from sold inventory
- Timely sale of the unsold inventory and realization of its customer advances
- Sharp decline in cash flow, by slackened salability of project or further delays in project execution leading to high customer risk and cash flow mismatch
- Weakening of the financial risk profile and liquidity due to higher-than-expected borrowing

## All Covenants

- Minimum security cover of 1.5x for the facility borrower wise
- Min receivable cover of 2x to be maintained across group level receivables

## Liquidity Position

### Adequate

BPTP's liquidity is marked by a secured payment mechanism with Escrow account in all projects, presence of waterfall mechanism (few projects), Debt service coverage account (DSRA) for 1-3 months of interest and principal, term loan covered up to next 1 year through receipt of customer advances as per the prescribed sweep ratio; albeit constrained by moderate DSCR expected until FY2025. Moderate metrics on construction, customer advances and sales against majority of debt availed is expected to lead to average DSCR of ~1.26 times during FY2023-2024 period. BPTP is mainly dependent on customer advances for its project funding and debt repayment. Acuité believes that the liquidity position of the company is expected to remain adequate on account of healthy customer advances and stable cash inflows.

## Outlook: Stable

Acuité believes that the BPTP will maintain 'Stable' business risk profile over the medium term

on the back of experienced promoters and established brand presence in the real estate industry. The outlook may be revised to 'Positive' in case of higher-than-expected advances from customers or promoter fund support resulting in adequate cash flows. Conversely, the outlook may be revised to 'Negative' in case of any undue delay in completion of the project, or less-than-expected bookings and advance leading to stretch on its liquidity.

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	957.09	1145.16
PAT	Rs. Cr.	107.42	(10.58)
PAT Margin	(%)	11.22	(0.92)
Total Debt/Tangible Net Worth	Times	0.51	0.64
PBDIT/Interest	Times	1.11	0.30

## Status of non-cooperation with previous CRA (if applicable)

None

## Any Other Information

None

## Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

## Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)



## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Jun 2022	Bank Guarantee	Short Term	50.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Term Loan	Long Term	246.05	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Term Loan	Long Term	26.34	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Bank Guarantee	Short Term	23.45	ACUITE A2+ (Upgraded from ACUITE A2)
	Proposed Bank Facility	Long Term	278.14	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Bank Guarantee	Short Term	50.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Term Loan	Long Term	22.87	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Bank Guarantee	Short Term	26.38	ACUITE A2+ (Upgraded from ACUITE A2)
	Term Loan	Long Term	74.99	ACUITE BBB+   Stable (Upgraded from ACUITE BBB   Stable)
	Bank Guarantee	Short Term	21.98	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee	Short Term	50.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee	Short Term	7.60	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee	Short Term	18.79	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee	Short Term	15.00	ACUITE A2+ (Upgraded from ACUITE A2)
12 Apr 2021	Bank Guarantee	Short Term	21.98	ACUITE A2 (Assigned)
	Term Loan	Long Term	55.37	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	17.72	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	23.89	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	283.00	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	114.19	ACUITE BBB   Stable (Assigned)
	Bank Guarantee	Short Term	8.48	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	19.05	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	50.00	ACUITE A2 (Assigned)
	Term Loan	Long Term	96.50	ACUITE BBB   Stable (Assigned)
	Bank Guarantee	Short Term	17.57	ACUITE A2 (Assigned)
	Proposed Bank Facility	Long Term	0.62	ACUITE BBB   Stable (Assigned)
		Long		



	Term Loan	Term	39.10	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	25.70	ACUITE BBB   Stable (Assigned)
	Bank Guarantee	Short Term	36.00	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	50.00	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	50.00	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	2.42	ACUITE A2 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE A2+   Reaffirmed
Indian Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	3.15	ACUITE A2+   Reaffirmed
Bank of Baroda	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE A2+   Reaffirmed
Punjab National Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	9.79	ACUITE A2+   Reaffirmed
Punjab National Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	16.30	ACUITE A2+   Reaffirmed
Indian Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	17.25	ACUITE A2+   Reaffirmed
Bank of Maharashtra	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	1.10	ACUITE A2+   Reaffirmed
Indian Overseas Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	5.32	ACUITE A2+   Reaffirmed
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	91.40	ACUITE BBB+   Stable   Reaffirmed
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	153.43	Not Applicable   Withdrawn
Indusind Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	290.00	ACUITE BBB+   Stable   Reaffirmed
ICICI Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	63.66	ACUITE BBB+   Stable   Reaffirmed
Kotak Mahindra Investments Limited	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	93.73	ACUITE BBB+   Stable   Reaffirmed
Yes Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	49.22	ACUITE BBB+   Stable   Reaffirmed
Yes Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	17.24	ACUITE BBB+   Stable   Reaffirmed

\*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt Support)

S. No.	Name of entity
Subsidiary companies at any time during the year	
1	ASG Overseas Private Limited
2	BPTP International Trade Centre Limited
3	BPTP Parklands Pride Limited

4	BPTP Resort Private Limited
5	Business Park Maintenance Services Private Limited
6	Countrywide Promoters Private Limited
7	Delhi Strong Build Infrastructure Private Limited
8	Digital IT Park Infracon Private Limited
9	Five Star Promoters Private Limited
10	Garnish Colonisers Private Limited
11	Gateway Infraprojects Private Limited
12	Genious Promoters & Developers Private Limited
13	Gracious Buildcon Private Limited
14	Lunar Developers Private Limited
15	Moonlight Buildmart Private Limited
16	Outlook Infracon Private Limited
17	Remarkable Estate Private Limited
18	Rose Infracon Private Limited
19	Super Belts Private Limited
20	Triangle Builders and Promoters Private Limited
21	Well Worth Developers Private Limited
22	Worldwide Colonisers Private Limited
23	Worthy Maintenance Services Private Limited
<b>Joint Ventures (JV) and Associates (A)</b>	
1	Perpetual Infracon Private Limited (JV)
2	Gallant Infrastructure Private Limited (JV)
3	UAG Builders Private Limited (A)
4	BPTP Special Economic Zone Private Limited (JV)
5	Native Buildcon Private Limited (A)

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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