



Press Release
BPTP Limited
January 06, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	529.50	ACUITE BBB+ Stable Upgraded	-
Bank Loan Ratings	228.66	-	ACUITE A2+ Upgraded
Total Outstanding Quantum (Rs. Cr)	758.16	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating from ‘ACUITE BB+’ (read as ACUITE Double B Plus) to ‘ACUITE BBB+’ (read as ACUITE Triple B Plus) and its short-term rating from ‘ACUITE A4+’ (read as ACUITE A Four Plus) to ‘ACUITE A2+’ (read as ACUITE A Two Plus) on the Rs.758.16 Cr. bank facilities of BPTP Limited. The outlook is ‘Stable’.

Rationale for Recommendation

The rating considers 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 velocity which is inflated by sold units, growth in customer advances and improved CAGR, etc. 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. However, the rating remained constrained by unsold inventory, is mitigated by the existing demand along with established sales velocity of its projects. Acuite also took into consideration project risk from the soon to be launched projects where land cost has been incurred and construction cost remains to be incurred.

Acuite also factored the approved composite scheme of amalgamation by NCLT wide letter dated 26th September of 65 companies into BPTP Limited and demerger of 2 companies from BPTP Limited.

About the Company

BPTP Limited 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.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone financial and business risk profile BPTP Limited. Acuite had previously 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. However, NCLT wide letter dated 26th September 2024 approved composite scheme of amalgamation of 65 companies into BPTP Limited and demerger of 2 companies from BPTP Limited.

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 approx. 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 plotted, plotted development, Villas, plots, Commercial Spaces etc.) in NCR, primarily in Gurugram Market (Dwarka Expressway, SPR, Golf Course Extension), Faridabad and Noida. 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 & Gurugram 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.

Improvement in sales velocity

BPTP has successfully completed 50 projects, wherein the company has received majority of the advances out of the completed projects. There are standing receivables which are yet to be received under the range of Rs.650 Crore from the sold inventory and Rs.2200 Crore approximately from unsold inventory which are expected to be converted in near future. Also, BPTP has collected Rs. 1670.9 Cr. in FY 23-24 receivables against customer advances. In addition to that, company has already accounted as advances of Rs. 989 Cr. during last six months ending September 2024.

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 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.

Weaknesses

Exposure to Execution risk and Demand Risk

The company is undertaking construction of residential and commercial Project wherein the balance is yet to be received from the built-up projects wherein the unsold inventory is 981 units as on 30-09-2024, hence it is exposed to implementation risk. In addition, the company is expected to launch upcoming four projects in near term with substantial construction cost, wherein the company is relying majorly over the customer advances which resulted demand risk. The liquidity generated from already completed project and presence of fund fungibility across all the projects mitigates the funding risk to a certain extent however, any delay or slow progress in collection from customers will result into additional borrowing and hence the collection efficiency needs to be closely monitored.

High geographical concentration risk in revenue profile and customer related risk associated with ongoing 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, Signature Global, M3M India amongst others. Moreover, BPTP holds high customer related risks w.r.t. its ongoing 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.

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 3 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 & rural households and development of certain green belts in Gurugram. 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 Gold/Platinum 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.

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. Moderate metrics on construction, customer advances and sales against majority of debt availed is expected to lead to expected DSCR of 3.68 times during FY 2025-2027 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

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Provisional)
Operating Income	Rs. Cr.	1865.29	862.32
PAT	Rs. Cr.	242.86	92.03
PAT Margin	(%)	13.02	10.67
Total Debt/Tangible Net Worth	Times	0.71	0.97
PBDIT/Interest	Times	2.32	1.28

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

Not Applicable.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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. Acuité'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Nov 2024	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	3.15	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	9.79	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	16.30	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	17.25	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	1.10	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	5.32	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2+)
	Term Loan	Long Term	93.73	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Term Loan	Long Term	49.22	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Term Loan	Long Term	17.24	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Proposed Long Term Bank Facility	Long Term	91.40	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Term Loan	Long Term	290.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Term Loan	Long Term	63.66	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
01 Sep 2023	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	3.15	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	9.79	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	16.30	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	17.25	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	1.10	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.32	ACUITE A2+ (Reaffirmed)
	Proposed Bank Facility	Long Term	91.40	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	49.22	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	17.24	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	290.00	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	63.66	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	93.73	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	153.43	ACUITE Not Applicable (Withdrawn)

07 Jun 2022	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	18.79	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	50.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	21.98	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	23.45	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	26.38	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	7.60	ACUITE A2+ (Upgraded from ACUITE A2)
	Term Loan	Long Term	22.87	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	246.05	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	74.99	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	26.34	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Proposed Long Term Bank Facility	Long Term	278.14	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A2+ Upgraded (from ACUITE A4+)
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A2+ Upgraded (from ACUITE A4+)
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.79	Simple	ACUITE A2+ Upgraded (from ACUITE A4+)
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.30	Simple	ACUITE A2+ Upgraded (from ACUITE A4+)
Indian Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.25	Simple	ACUITE A2+ Upgraded (from ACUITE A4+)
Indian Overseas Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.32	Simple	ACUITE A2+ Upgraded (from ACUITE A4+)
Indusind Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	80.00	Simple	ACUITE A2+ Upgraded (from ACUITE A4+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	42.03	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BB+)
Indusind Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2028	298.52	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BB+)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Aug 2025	0.38	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BB+)
Axis Finance Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2027	96.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BB+)
Axis Finance Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2028	62.57	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BB+)
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2027	30.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BB+)

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Kartik Arora Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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