

Press Release
BPTP INTERNATIONAL TRADE CENTRE LIMITED
January 23, 2025
Rating Upgraded



Product	Quantum (Rs. Cr)	Long Term Rating	Short T
Bank Loan Ratings	355.00	ACUITE A Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	355.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating of 'ACUITE A' (read as ACUITE A) from 'ACUITE A-' (read as ACUITE A minus) on the Rs. 355 Cr. bank facilities of BPTP International Trade Centre Limited (BITCL). The outlook is 'Stable'.

Rationale for rating

The rating upgrade takes into account the improvement in the overall turnover of the company and increase in occupancy percentage to ~97% as on date against 71% against last year as LOI already been signed. During FY 25, the company has entered into Lease / LOI agreements with marquee clientele base such as Siemens, CAD, CBRE (Coldwell Banker Richard Ellis), Diablo, Costa Coffee, Manstara Gentell, Clearwater, ZS, Schueco, Dassault, etc. The rating continuous to comfort from established track record of the promoter entity (BPTP Limited). However, the rating is constrained by timely conversion of LOI's to agreements and renewal risk. Going forward, renewal terms in regard to tenure and lease rentals will remain a key rating sensitivity factor.

About the Company

BPTP International Trade Centre Limited Incorporated in 2007, The Company provides lease rental and maintenance services primarily for real estate projects. Company also includes real estate development. BPTP International Trade Centre Limited's registered office is in Faridabad, Haryana. The current directors of the company are Mr. Inderjeet, Mr. Ramanjit Sahni and Mr. Shiv Shankar Prasad. BPTP International Trade Centre Limited is a subsidiary of BPTP Limited which is the flagship company of the BPTP group. The company currently has a project under the name BPTP Capital City. BPTP Capital City is a commercial project with total area of ~14.14 Acre land. The project currently has a Commercial tower with Ground + 15 Floors. The Ground Floor is for the retail commercial spaces, First Floor is for Club House and the remaining area is commercial office space. The total leasable area of the project is ~747000 sq. ft. The building has received a platinum building certification received from Indian Green Building Council for the period of 2023 to 2026.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered standalone business and financial risk profile of BPTP International Trade Center Limited to arrive at this rating.

Key Rating Drivers

Strengths

Experienced promoters

The company is subsidiary of BPTP Limited a reputed name in the Real Estate Development in Delhi NCR. The promoters of the company have vast experience of more than two decades in the industry with several successful projects completed in the Delhi NCR region. The company is linked with its promoter with commonality in board of directors, centrally governed treasuries and same line of business with high importance of the Capital City project as it will be generating sustainable cashflows. This shows the parent's commitment towards this project. Further, the project is using the common brand name "BPTP". Acuite believes that the company will continue to benefit from promoter and managerial guidance in future as well.

Locational Advantage

Strategically located in Sector 94 Noida, at the intersection of Kalandi Kunj Bridge and Noida - Greater Noida Expressway and walking distance from Okhla Bird Sanctuary Metro Station on the Magenta Line that connects Capital City to the South Delhi Hub of Jasola, Nehru Place & Saket and to Huda City Centre in Gurugram. Further, Jewar International Airport and aviation hub are also being constructed. It also connects to the Delhi to Mumbai 'North-West investment corridor' through Taj Expressway. Further, the location also has an efficient public road transportation system and elaborate highway network, which provides excellent connectivity to major cities such as Delhi, Noida, Greater Noida, Ghaziabad, Faridabad, Gurgaon, Agra, etc. Acuite believes that the company will get added benefit associated with the project location in the long term.

Presence of DSRA & Escrow Mechanism

The company availed the LRD loan backed by lease rentals from the tenants are directly deposited into escrow account and the debt obligation is deducted from the same. In addition to that, the company is required to maintain DSRA to the tune of Rs. 25 Cr. (Approx.) with SBI bank which is equivalent to two quarters of EMI.

Weaknesses

Customer concentration

~44% of the total area is leased to one single customer Tablespace Services India Private Limited (TSIPL) increasing the customer concentration risk. The occurrence of events such as policy decisions by key clients to shift their offices to other location can impact their willingness to continue their lease agreement. However, this risk is mitigated to an extent, given the strategic location of BITCL's property and an average lock in period of 3 Years. Further, BITCL & TSIPL has an escrow arrangement wherein the ultimate tenant will be paying the rent in this escrow account which will first be used for paying the rent of BITCL. In the event of non-renewal by the existing lessee, future cash flows will be impacted, thereby weakening debt protection indicators. In the event of either of the companies deciding to move out or seeking a renegotiation, the rentals are likely to be impacted. Timely renewal on similar or better terms than the existing agreements will remain a key rating sensitivity factor.

Presence in highly competitive and fragmented nature of industry

The real estate industry in India is highly fragmented, with most of the real estate developers having a city or region-specific presence. The risks associated with the real estate industry are cyclical in nature (drop in property prices) and interest rate risk, among others, which could affect operations. BITCL is exposed to lease renewal risk, i.e., while renewing the lease agreements, any significant renegotiations by the lessees can adversely impact the cash flows.

Rating Sensitivities

1. Improvement in lease rental and overall cash flows as envisaged by the company.
2. Renewal of tenancy agreement
3. Conversion of LOIs into agreement
4. Any deterioration in the lease rental resulting into deterioration in cashflow and DSCR of the company

Liquidity Position

Adequate

The liquidity profile of the company is adequate marked by healthy lease rentals routed through escrow with waterfall mechanism and presence of DSRA for two quarters of EMI resulting into additional cushion. Further, the company has a comfortable DSCR from 1.3 to 1.85 times from FY 25 to FY 28. Going forward, Acuite believes that liquidity profile of the company is expected to improve in near to medium term followed by the comfortable DSCR.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	45.11	20.13
PAT	Rs. Cr.	(217.22)	(69.56)
PAT Margin	(%)	(481.48)	(345.64)
Total Debt/Tangible Net Worth	Times	(1.56)	43.25
PBDIT/Interest	Times	(2.42)	0.22

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. 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Oct 2023	Lease Rental Discounting	Long Term	355.00	ACUITE A- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Lease Rental Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	355.00	Simple	ACUITE A Stable Upgraded (from ACUITE A-)

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About Acuité Ratings & Research

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