

April 29, 2025

Bharti Realty Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Commercial paper	450.00	450.00	[ICRA] A1+; Reaffirmed
Total	450.00	450.00	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for the proposed commercial paper (CP) programme of Bharti Realty Limited (BRL) factors in the favourable location of its properties, healthy construction progress with two office assets in the advanced stages of construction and BRL's long operational track record in the real estate sector. BRL being a key entity of the Bharti Group's real estate operations, holds a high strategic importance along with the extensive operational, managerial, and financial support extended by the Bharti Group, shared brand name and a common treasury team. ICRA is given to understand that the Group remains committed to meet all the operational and financial requirements in a timely manner, as witnessed in the past. The rating draws comfort from the exceptional financial flexibility enjoyed by the company, considering its association with the Bharti Group.

The Group sold two properties Quantum Point and Omega Centre in FY2025 located in Gurgaon and the proceeds were used for the prepayment of its term loan. After this transaction, BRL has 0.2 million square feet (msf) of operational leasable area with strong tenant profile, besides the under-development area of 10.3 msf under Delhi International Airport Limited (DIAL) project with 7.4 msf under Phase 1A (with 4 SPVs) and 3.0 msf under Phase 1B (with 2 SPVs). Further, the debt tie-up for Phase 1B is expected to be completed by the end of FY2026. Timely debt tie-ups and completion of construction without any major time or cost overrun will remain a key rating monitorable.

The rating strengths are however partially offset by the project execution and market risks, as around 98% of the company's consolidated portfolio is under construction at present. BRL's credit profile remains exposed to the high leverage levels in its under-construction portfolio leading to moderate debt coverage metrics. Further, the debt towards this under construction portfolio in BRL's special purpose vehicles (SPVs) have large scheduled repayments exposing to refinancing risk. Nonetheless, the risk is mitigated by the company's exceptional financial flexibility. Under SPVs, BRL is developing the projects on a leased land, which entails annual payments to DIAL for the planned phases. For these projects, so far, the promoters have infused majority of the equity amounting to around Rs. 2800 crore till October 2024, and construction finance debt is yet to be tied up for three projects exposing the project to residual funding risk. Any time or cost overrun or change in scope entailing additional cost or slower-than-expected ramp-up in occupancy post commercialisation could adversely affect the company's liquidity and credit profile. Nevertheless, BRL's long and established track record in successfully developing and leasing out office and retail space mitigates the risk. In addition, BRL's revenues also remain exposed to adverse macroeconomic conditions, which could impact the tenants' business risk profiles.

Key rating drivers and their description

Credit strengths

Status of BRL as a part of the Bharti Group provides exceptional financial flexibility – BRL is a part of the Bharti Group. The flagship company of the Group, Bharti Airtel Limited, is one of India's leading integrated telecommunication service providers. BRL being a key entity of the Bharti Group's real estate operations, holds a high strategic importance along with the extensive

operational, managerial, and financial support extended by the Bharti Group, shared brand name besides a common treasury team. ICRA is given to understand that the Group remains committed to meet all the operational and financial requirements in a timely manner, as witnessed in the past. The rating draws comfort from the exceptional financial flexibility enjoyed by the company, considering its association with the Bharti Group.

Established real estate developer with long track record – Established in 2003, BRL has been involved in the business of real estate development and leasing for around two decades. Along with its subsidiaries, the company has completed 18 commercial properties spread across around ~5 msf area. The group sold its two properties Quantum Point and Omega Centre in FY2025 located in Gurgaon and the proceeds were used for the prepayment of its term loan. After this transaction, BRL has 0.2 million square feet (msf) of operational leasable area with strong tenant profile, besides the under-development area of 10.3 msf under Delhi International Airport Limited (DIAL) project with 7.4 msf under Phase 1A (with 4 SPVs) and 3.0 msf under Phase 1B (with 2 SPVs).

Favourable location of the properties – Most of BRL's properties are well located and have Grade-A specifications, which enhances their marketability. The properties have attracted reputed tenants. A substantial part of the total leased area is occupied by the Bharti Group companies, which supports lease continuity and mitigates the counterparty risks.

Credit challenges

Moderate debt coverage metrics – BRL's credit profile remains exposed to the high leverage levels in its under-construction portfolio leading to moderate debt coverage metrics. Further, the debt towards this under construction portfolio in BRL's special purpose vehicles (SPVs) have large scheduled repayments exposing to refinancing risk. Nonetheless, the risk is mitigated by the company's exceptional financial flexibility. Under SPVs, BRL is developing the projects on a leased land, which entails annual payments to DIAL for the planned phases. For these projects, so far, the promoters have infused majority of the equity amounting to around Rs. 2800 crore till October 2024, and construction finance debt is yet to be tied up for three projects exposing the project to residual funding risk.

Exposed to project execution and market risks – Around 98% of the company's consolidated portfolio is under construction at present. Any time or cost overrun or change in scope of the project entailing additional cost or slower-than-expected ramp-up in occupancy post commercialisation could adversely affect the company's liquidity and credit profile. Nevertheless, BRL's long and established track record in successfully developing and leasing out office as well as retail space mitigates the risk.

Vulnerability of commercial real estate sector to cyclicalities – BRL's revenues remain exposed to the adverse macroeconomic and external conditions, which could impact the tenants' business risk profiles.

Liquidity position: Adequate

The Group's liquidity is expected to remain adequate with unencumbered cash and bank balances of around Rs. 400 crore as on March 31, 2025. BRL, on a consolidated basis (including its SPVs) has repayment obligation of Rs 590 crore in FY2026, which is expected to be refinanced/rolled-over. The company has exceptional refinancing capabilities on the back of its strong parentage.

Rating sensitivities

Positive factors – NA

Negative factors – Negative pressure on BRL's rating could arise in case of lack of adequate and timely financial support from the Group to meet all its funding needs. Further, downward pressure on the rating may arise in case of deterioration in the credit profile of the Bharti Group or dilution in the company's strategic importance to the Group. Any significant delay in lease tie-ups and cost overruns for the under-construction portfolio under BRL could also exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty – Lease Rental Discounting (LRD)
Parent/Group support	Group: Bharti Group BRL holds high strategic importance for the Bharti Group (flagship company, Bharti Airtel Limited) and its promoters, as demonstrated by the common name shared by the entities along with a common treasury team. The Bharti Group holds 100% of BRL and ICRA expects the managerial, operational, financial support from the Group to continue going forward.
Consolidation/Standalone	Consolidated with subsidiaries of BRL as given in Annexure II

About the company

Bharti Realty Limited (BRL), together with its subsidiaries, operates as a real estate development company with focus on commercial projects. The company was incorporated in 2003. At present, BRL has 0.2 msf of the remaining operational area, along with under-development area of 10.3 msf under Delhi International Airport Limited (DIAL) with two projects covering 7.4 msf of area under Phase 1A (in 4 SPVs - Angelica Developers Limited, Populus Realty Limited, Vinta Realty Limited, Alborz Developers Limited) and 3.0 msf under Phase 1B (in 2 SPVs – Pamir Developers Limited and Zagros Developers Limited).

Key financial indicators (audited)

Consolidated	FY2023	FY2024
Operating income	98.9	98.1
PAT	263.1	46.2
OPBDIT/OI	46.5%	4.0%
PAT/OI	266.0%	47.1%
Total outside liabilities/Tangible net worth (times)	1.6	2.6
Total debt/OPBDIT (times)	96.6	2,045.0
Interest coverage (times)	157.4	4.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Apr 29, 2025	Date	Rating	Date	Rating	Date	Rating
Commercial paper	Short Term	450.00*	[ICRA] A1+	Apr 30, 2024	[ICRA] A1+	Apr 28, 2023	[ICRA] A1+	Apr 29, 2022	[ICRA] A1+

**Not placed*

Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Commercial paper	-	-	-	450.00*	[ICRA] A1+

Source: Company; *not placed

Annexure II: List of entities considered for consolidated analysis

Company Name	BRL Ownership	Balance ownership	Consolidation Approach
Beech Projects Limited	100%	-	Full Consolidation
Angelica Developers Limited	100%	-	Full Consolidation
Bharti Land Limited	100%	-	Full Consolidation
Pomor Realty Limited	100%	-	Full Consolidation
Triskhi Realty Limited	100%	-	Full Consolidation
Pamir Developers Limited	51%	49%: Yayin Pte Ltd.	Full Consolidation
Populus Realty Limited	51%	49%: Yayin Pte Ltd.	Full Consolidation
Zagros Developers Limited	51%	49%: Yayin Pte Ltd.	Full Consolidation
Vinta Realty Limited	51%	49%: Yayin Pte Ltd.	Full Consolidation
Alborz Developers Limited	51%	49%: Yayin Pte Ltd.	Full Consolidation

Source: Annual report, ICRA research

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Sweta Shroff

+91 124 4545 307

Sweta.shroff@icraindia.com

Yash Garg

+91 124 4545 337

yash.garg@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.