

July 31, 2025

Bhartiya City Residences Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Term Loan-Fund Based	600.00	600.00	[ICRA]BBB- (Stable); Reaffirmed
Total	600.00	600.00	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation for Bhartiya City Residences Private Limited (BCRPL) factors in the favourable location of its ongoing commercial office project, Bhartiya Centre of Information Technology-4 in Thanissandra, Bengaluru enhancing the marketability, along with adequate construction progress. The rating notes the established track record of the Bhartiya Group in developing residential and commercial real estate. BCRPL is a part of the Bhartiya Group and is a wholly-owned subsidiary of the Group's flagship real estate company – Bhartiya Urban Private Limited (BUPL). BUPL is undertaking an integrated township project, named 'The Bhartiya City', on a land parcel of about 123 acres in North Bengaluru (Thanissandra Road), having a total estimated development potential of about 17 msf. The Group has completed four commercial projects in the past with 2.8 msf of leasable area and has demonstrated a healthy leasing track record. The construction progress is adequate as of June 2025 and is likely to be completed within the DCCO timelines of December 2026. The project is to be funded in a debt to equity mix of 3:1. The entire CF debt has been tied up and ~66% of the promoter contribution has been infused as of June 2025, resulting in moderate funding risks. Further, ICRA expects BUPL to provide timely financial support to BCRPL for the funding shortfall, if any, given their high operational, financial, and managerial linkages, its strategic importance for BUPL and the latter's reputation sensitivity to default.

The rating is, however, constrained by the project's exposure to residual execution risk as 39% of the total project cost is yet to be incurred as of June 2025. Further, the project is exposed to market risk with no pre-leasing as on date. Nonetheless, the favourable location of the project, and the Bhartiya Group's track record for execution and leasing commercial real estate projects, mitigate these risks to an extent. The project is exposed to refinancing risk as the bullet repayment for the CF loan against the commercial project will fall due for quarterly repayments from December 2026 to June 2027. Any delays in project completion or inadequate leasing may adversely impact its refinancing ability. Further, the project is exposed to high geographical and asset concentration risks inherent in a single project portfolio.

The Stable outlook reflects ICRA's opinion that the company will be able to execute the project within the scheduled timelines and achieve adequate leasing tie-ups well within the DCCO. BCRPL will benefit from the parent's commitment to support in case of any shortfall.

Key rating drivers and their description

Credit strengths

Experienced promoters having a strong track record – BCRPL is a 100% subsidiary of Bhartiya Urban Private Limited (BUPL). BUPL is undertaking an integrated township project on a land parcel of about 123 acres in North Bengaluru (Thanissandra Road), having a total estimated development potential of about 17 msf. The Group has completed four commercial projects in the past with 2.8 msf of leasable area and has demonstrated a healthy leasing track record. ICRA expects BUPL to provide

timely financial support to BCRPL for funding shortfall, if any, given their high operational, financial, and managerial linkages, its strategic importance for BUPL and the latter's reputation sensitivity to default.

Favourable location of the project – The commercial project being undertaken by BCRPL is located within the Group's integrated township in Thanissandra, Bengaluru. Given the project's favourable location near the international airport and major commercial hubs, it is expected to translate into adequate pre-leasing by the scheduled completion of the project. Also, the Group has demonstrated healthy leasing performance in the earlier phases of the commercial projects in the township.

Moderate funding risk – The funding risk for the project remains moderate as the entire CF debt has been tied up and 66% of the promoter contribution has been infused as of June 2025. The project is to be funded in a debt to equity mix of 3:1.

Credit challenges

Exposed to residual execution and market risk, no pre-leasing tie-up in place – Out of the total budgeted cost, 39% of the project cost is yet to be incurred as of June 2025 with the scheduled DCCO of December 2026, exposing it to residual execution risk. Further, with no leasing tie-ups in place, it is exposed to market risk. Nonetheless, the favourable location of the project and the Bhartiya Group's established track record for execution and leasing commercial real estate projects, mitigate the risks to an extent.

Exposure to refinancing risk – The bullet repayment for the CF loan is falling due for quarterly repayments from December 2026 to June 2027, which exposes the company to refinancing risk. Any delays in project completion or inadequate leasing may adversely impact its refinancing ability. However, the risk is mitigated based on the Bhartiya Group's demonstrated track record of achieving adequate leasing and refinancing the CF loans for its other commercial projects, providing comfort.

Geographical and asset concentration risks – The company has one under-construction project, BCIT-4, located within the Group's integrated township in Thanissandra, Bengaluru, exposing it to geographical and asset concentration risks inherent in single asset special purpose vehicles (SPVs).

Liquidity position: Adequate

BCRPL's liquidity is adequate. The balance project cost as of June 2025 of ~Rs. 232 crore is expected to be met from undrawn term loans of Rs. 176 crore and the remaining through promoter contribution. The bullet repayment for the CF loan is falling due for quarterly repayment from December 2026 to June 2027, which is likely to be refinanced by an LRD loan once adequate leasing is achieved. Further, the parent (BUPL) is likely to extend support to BCRPL, if the need arises.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a significant increase in occupancy levels at adequate rates providing visibility for refinancing of the CF loan in a timely manner. Specific credit metrics for a rating upgrade could be an average five-year DSCR of more than 1.15 times on a sustained basis.

Negative factors – Downward pressure on the rating could emerge if a significant delay in construction progress or inability to achieve adequate leasing impact the company's ability to timely refinance the CF loan. The rating could be downgraded in case of deterioration in the credit profile of the parent company or weakening of linkage with the parent company (Bhartiya Urban Private Limited).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Parent –Bhartiya Urban Private Limited to provide timely financial support to BCRPL for funding shortfall, if any, given their high operational, financial, and managerial linkages, its strategic importance for BUPL and the latter’s reputation sensitivity to default
Consolidation/Standalone	Standalone

About the company

Bhartiya City Residences Private Limited (BCRPL), established in 2021, is a fully-owned subsidiary of Bhartiya Urban Private Limited (BUPL). It is involved in construction and development of a commercial project named as Bhartiya Centre of Information Technology (BCIT)-4 with a leasable area of 0.84 msf in Thanissandra, Bengaluru, within an integrated township project (undertaken by BUPL), named The Bhartiya City, on a land parcel of about 123 acres in North Bengaluru (Thanissandra Road) comprising residential apartments, IT SEZ, commercial and retail space and an upscale hotel. The under-construction project has incurred 61% of the total project cost as of June 2025 with an expected DCCO of December 2026. There is no pre-leasing as on date.

Key financial indicators (Audited)

Not applicable as it is a project-stage company.

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)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	600.0	Jul 31, 2025	[ICRA]BBB- (Stable)	Apr 15, 2024	[ICRA]BBB- (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term-Term Loan-Fund Based	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/Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	June-23	10.4%	June-27	600.0	[ICRA]BBB-(Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not applicable

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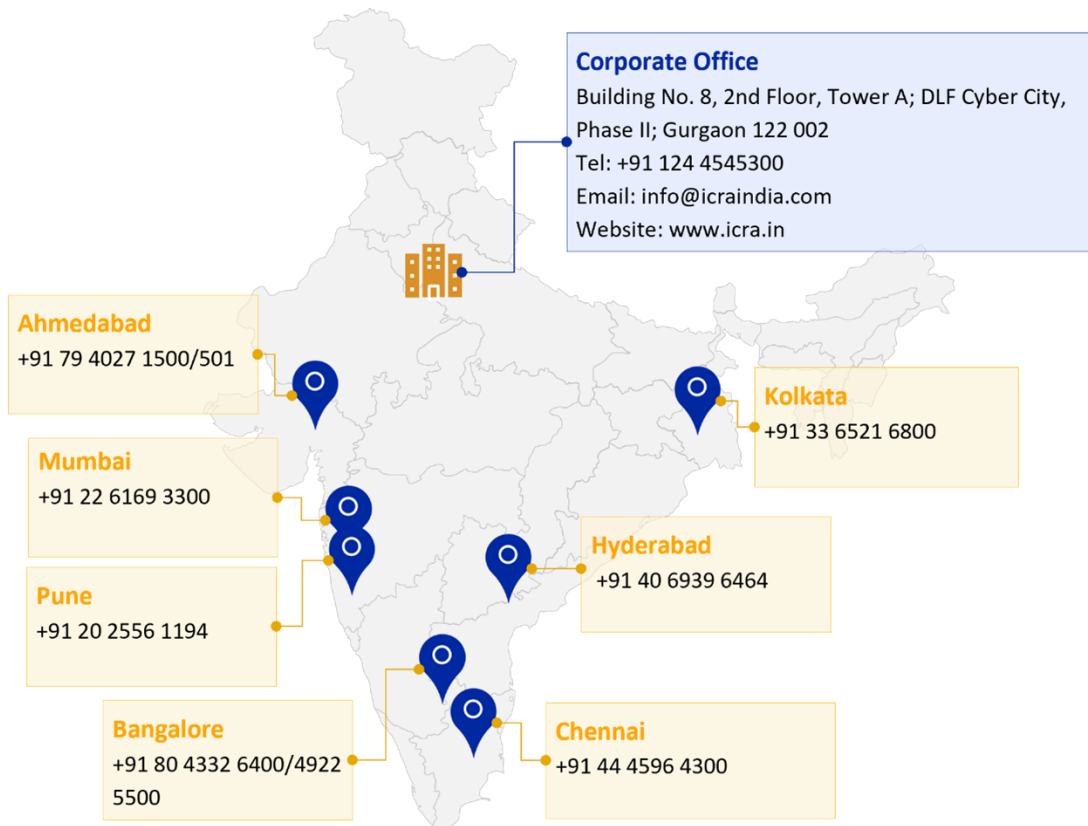
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