

September 12, 2023

## Bestech India Private Limited: Ratings downgraded and moved to Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated	Current Rated	Rating Action
	Amount (Rs. crore)	Amount (Rs. crore)	
Long-term – Fund-based – Term loan	253.00	253.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB+ (Stable) and moved to the 'Issuer Not Cooperating' category
Short-term – Non-fund based - Working capital facilities	80.00	80.00	[ICRA]A4+; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A2 and moved to the 'Issuer Not Cooperating' category
Long-term - Unallocated	97.00	97.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB+ (Stable) and moved to the 'Issuer Not Cooperating' category
<b>Total</b>	<b>430.00</b>	<b>430.00</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-I

### Rationale

The rating downgrade is because of lack of adequate information regarding Bestech India Private Limited's (BIPL) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at [www.icra.in](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As a part of its process and in accordance with its rating agreement with Bestech India Private Limited, ICRA has been trying to seek information from the entity to monitor its performance. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy in respect of non-co-operation by the rated entity</a> <a href="#">Rating Methodology for Real Estate Entities</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a full consolidation of BIPL and its subsidiary, Globus Projects Private Limited (GPPL) which are involved in real estate operations. Additionally, limited consolidation has been done with Group's hospitality entities (including Bestech Hospitalities Private Limited, Bestech

Analytical Approach	Comments
	Hotels Private Limited, JOP Hotels Limited, Bestech Hotels and Resorts Private Limited, Babylon Buildwell Private Limited), given the expected funding support from BIPL to the hospitality entities.

## About the company

Bestech India Private Limited (BIPL) is part of the Bestech Group, which was founded by Mr. Dharmendra Bhandari and Mr. Sunil Satija in the early 1990s. The Group started as a construction contractor and has been in the construction business for over two decades. It has constructed over 16 million square feet (msf) of space for various real estate projects, including several residential and commercial projects in the National Capital Region (NCR) for developers like Unitech, MGF, etc. In 2001, the Group diversified into real estate business and incorporated BIPL. Over the years, the Bestech Group has developed more than 16 msf of residential and commercial projects in Gurgaon, Mohali and Dharuhera. At present, the company is developing 1.9 msf of area and has 0.6 msf of unsold completed inventory.

## About Globus Projects Private Limited

Globus Projects Pvt Ltd (GPPL) is a Group company of BIPL, with the latter holding 78% of the shareholding in the former. GPPL owns and operates a retail mall (co-developed with BIPL) spread across 0.4 msf in Mohali that started operations from April 2019. Some portion of the mall has been sold out. The balance area stands at 0.26 msf, out of which 0.01 msf is being held by GPPL for sale.

## Key financial indicators

BIPL consolidated	FY2020	FY2021
Operating income (Rs. crore)	336.5	423.8
PAT (Rs. crore)	47.9	39.0
OPBDIT/OI (%)	27.8%	18.9%
PAT/ OI (%)	14.2%	9.2%
Total outside liabilities/Tangible net worth (times)	3.0	2.5
Total debt/OPBDIT (times)	6.5	5.6
Interest coverage (times)	3.2	3.0

**Status of non-cooperation with previous CRA: Not Applicable**

**Any other information: None**

## Rating history for past three years

Instrument	Type	Current rating (FY2024)			Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding as on March 31, 2022 (Rs. Crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021		
				Sep 12, 2023	June 30, 2022	-	Mar 19, 2021	Nov 25, 2020	
1	Fund-based – Term loan	Long Term	253.00	253.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable)	-	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2	Non-fund based	Short Term	80.00	-	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A2	-	[ICRA]A3+	[ICRA]A3+
3	Unallocated	Long Term	97.00	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable)	-	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Term loan	Simple
Short-term – Non-fund based – Working capital facilities	Very Simple
Long-term – Unallocated	NA

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	Long-term Fund-based – Term loan 1	FY2016	-	FY2024	10.70	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 2	FY2021	-	FY2026	3.57	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 3	FY2022	-	FY2027	1.90	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 4	FY2017	-	FY2023	2.85	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 5	FY2021	-	FY2026	3.16	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 6	FY2021	-	FY2026	24.90	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 7	FY2020	-	FY2025	9.38	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 8	FY2021	-	FY2026	16.09	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 9	FY2021	-	FY2023	40.80	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 10	FY2020	-	FY2032	47.38	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 11	FY2020	-	FY2025	32.50	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 12	FY2022	-	FY2027	32.50	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 13	FY2020	-	FY2024	20.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Long-term Fund-based – Term loan 14	FY2021	-	FY2026	7.27	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Short-term – Non-fund based – Working capital Facilities	-	-	-	80.00	[ICRA]A4+; ISSUER NOT COOPERATING
NA	Long-term – Unallocated	-	-	-	97.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING

Source: Company

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

**Annexure II: List of entities considered for consolidated analysis:**

Instrument Name	Date of Issuance	Coupon Rate
Bestech India Private Limited	-	Full Consolidation
Globus Projects Private Limited	77.89%	Full Consolidation
Bestech Hospitalities Private Limited	-	Limited Consolidated
Bestech Hotels Private Limited	-	Limited Consolidated
JOP Hotels Limited	-	Limited Consolidated
Bestech Hotels and Resorts Private Limited	-	Limited Consolidated
Babylon Buildwell Private Limited	-	Limited Consolidated

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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.

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## ICRA Limited



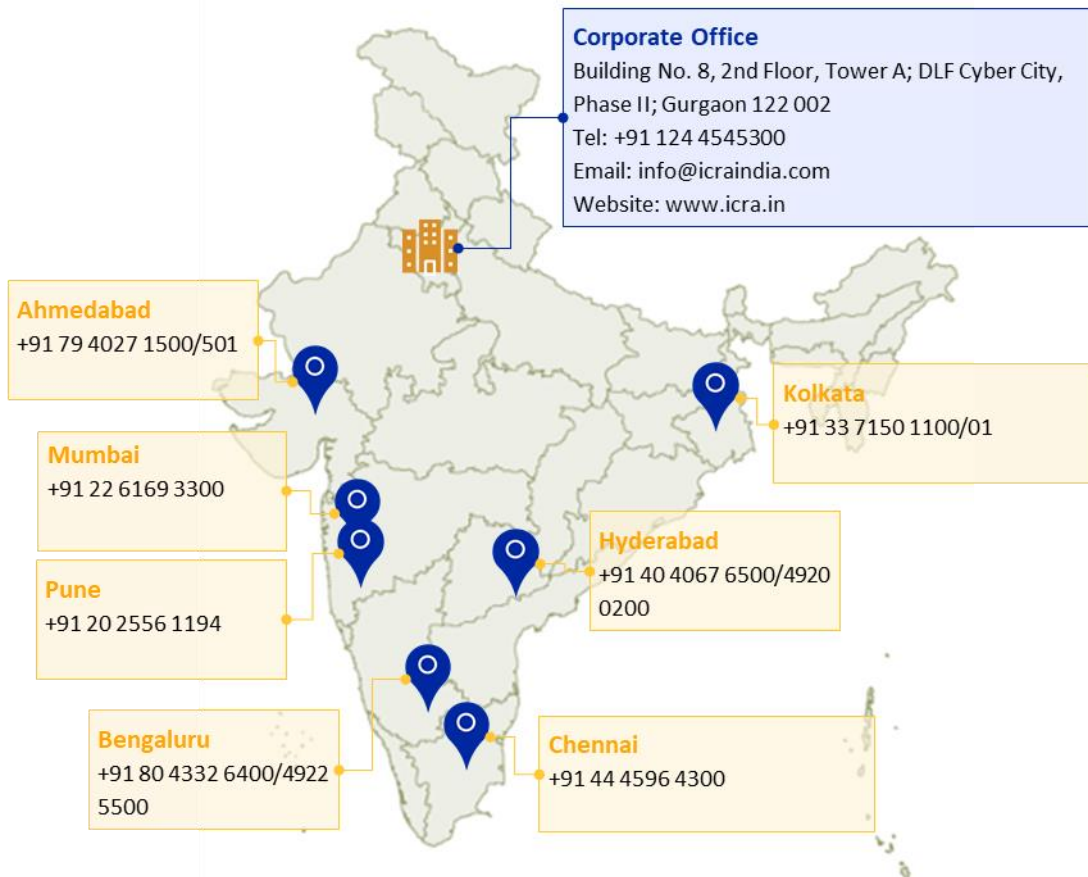
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