

February 21, 2025

Bamboo Hotel and Global Centre (Delhi) Private Limited: Provisional rating finalised for Rs. 808-crore NCD, [ICRA]A+(CE) (Stable) reaffirmed for Rs. 980-crore NCD and rating withdrawn for Rs. 242-crore proposed NCD

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
NCD	980.00	980.00	[ICRA]A+(CE) (Stable); reaffirmed
NCD	720.00	720.00	[ICRA]A+(CE) (Stable); Provisional rating finalised
NCD	88.00	88.00	[ICRA]A+(CE) (Stable); Provisional rating finalised
Proposed NCD	242.00	-	Provisional [ICRA]A+ (CE) (Stable); rating reaffirmed and withdrawn
Total	2030.00	1788.00	

Rating without explicit credit enhancement	[ICRA]BBB-
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*Instrument details are provided in Annexure-I

Note: The (CE) suffix mentioned alongside the (provisional) rating symbol indicates that the rated instrument/facility is to be backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The table above also captures ICRA's opinion on (a) the rating if the pending actions/ documents are not completed, and (b) the rating without factoring in the proposed explicit credit enhancement.

Rationale

ICRA has finalised the provisional rating assigned to the Rs. 808-crore non-convertible debenture (NCD) of Bamboo Hotel and Global Centre (Delhi) Private Limited (BHGCP) at [ICRA]A+(CE) (Stable). BHGCP has shared the executed transaction documents – corporate guarantee deed and debenture trust deed. The provisional rating has been finalised based on these documents, with the key terms being in line with the terms indicated at the time of assigning the provisional rating. The rating is based on the strength of the corporate guarantee provided by Prestige Estates Projects Limited (PEPL/the guarantor, rated [ICRA]A+(Stable)/[ICRA]A1), one of the sponsors of BHGCP for Rs. 980 crore and Rs. 808 crore of NCD.

ICRA has reaffirmed and withdrawn the rating assigned to the Rs. 242 crore NCD programme of BHGCP, on the company's request, in accordance with ICRA's policy on withdrawal of ratings.

The Stable outlook on this rating reflects ICRA's outlook on the rating of the guarantor, PEPL.

Adequacy of credit enhancement

The rating of the instrument is based on the credit substitution approach, whereby the rating of the guarantor has been translated to the rating of the said instrument. The guarantee provided for the issued NCDs for are legally enforceable, irrevocable, unconditional, covers the entire amount and tenor of the rated instrument and has a well-defined pre-default invocation and payment mechanism. Given these attributes, the guarantee provided by Prestige Estate Projects Limited is adequately strong to result in an enhancement in the rating of the said instrument to [ICRA]A+(CE) against the rating of [ICRA]BBB- without explicit credit enhancement. In case the rating of the guarantor was to undergo a change in future, the same would reflect in the rating of the aforesaid instrument as well.

Salient covenants of the rated NCD programme of Rs. 808.0 crore and Rs. 980.0 crore

- » The Issuer shall, at all times till the Final Settlement Date, maintain a security cover of at least 1.5 times.
- » If the security cover at any time falls below 1.5 times, the Issuer shall be required to furnish or cause any third party to furnish additional security/replace the security, in such form, value and substance, which is satisfactory to the Debenture Trustee and within such timelines as mentioned in the debenture trust deed.
- » The consolidated external net debt of PEPL to not exceed lower of Rs. 12,000 crore or 0.75 times of TNW for a period of 1 year from the Deemed Date of Allotment.

Key rating drivers and their description (for the guarantor - PEPL)

Credit strengths

- Estimated healthy operating performance in residential segment
- Part QIP proceeds to be deployed for debt repayment; expected improvement in leverage
- Leading real estate developer with long track record, strong market position and diversified portfolio

Credit challenges

- Risks associated with large-scale, ongoing and upcoming projects
- Exposed to inherent cyclicity in real estate sector

Please refer to the following link for the detailed rationale of the guarantor’s ratings, published in September 2024: [Click here](#).

Liquidity position

For the guarantor (PEPL): Adequate (more details can be seen at this link: [Click here](#))

For the rated entity (BHGCPCL): Stretched

The company’s liquidity profile is stretched. As on September 30, 2024, it reported unencumbered cash and bank balances of around Rs. 51 crore. Further, as on October 31, 2024, the balance pending cost of Rs. 2,074 crore is expected to be met from additional debt of around Rs. 1,020 crore, receivables from Delhi International Airport Limited (DIAL) worth Rs. 57 crore (against the area sold), security deposits of Rs. 25 crore from the prospective tenants of the commercial office space and the balance from the promoter contribution. ICRA expects that the company may require additional promoter support to meet the debt obligations and/or for completion of the project.

Rating sensitivities

Positive and negative factors – The rating assigned by ICRA to the NCDs of BHGCPCL is principally based on the strength of the corporate guarantee executed by PEPL. Accordingly, any future rating change, upgrade or downgrade, will remain synchronous with changes, if any, in the credit quality of PEPL.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology - Hotels Realty- Lease Rental Discounting (LRD) Policy on Provisional Ratings Policy on Withdrawal of Ratings

Parent/Group Support	The rating is based on the corporate guarantee extended by PEPL in favour of the investors in the NCDs of BHGCPL.
Consolidation/Standalone	The NCDs are backed by the corporate guarantees from PEPL. To arrive at the rating of PEPL, ICRA has assessed its consolidated risk profile. Details of the entities considered for consolidation are available at this link (Click here) .

About the company

Bamboo Hotel and Global Centre (Delhi) Private Limited (BHGCPL) was incorporated on August 14, 2008 as Heaven Star Realty Private Limited by the DB Realty Group. As on February 6, 2025, Prestige Hospitality Ventures Limited (PHVL), Advent Hotels International Pvt Ltd and Pinnacle Investments holds 50%, 49% and 1% equity in BHGCPL respectively. The company has constructed a mixed-use project with two hotels and one commercial office space in Aerocity, New Delhi. It includes two hotels - St. Regis (188 rooms) hotel and Marriott Marquis (590 rooms) hotel, offering a total of 778 rooms, along with an extensive conferencing facility of 0.3 million square feet (msf) and leasable office space of 0.61 msf (Prestige Trade Centre). The total budgeted cost for these projects is around Rs. 5,400 crore, which is to be funded by a debt of around 46%, promoter contribution of 51% and others (such as receivables against the area sold to DIAL and security deposits from the prospective tenants) at 3%. The commercial office space is expected to be completed by December 2025 and the hotel project by December 2026.

Key financial indicators (audited) - Not meaningful as the company is currently in the project stage.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years						
	Type	Amount Rated (Rs. crore)	FY2025			FY2024		FY2023		FY2022	
			Feb 21, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
NCD	Long Term	980.00	[ICRA]A+ (CE) (Stable)	Jan 16, 2025	Provisional [ICRA]A+ (CE)(Stable)	-	-	-	-	-	-
				Feb 11, 2025	[ICRA]A+(CE) (Stable)	-	-	-	-	-	-
NCD	Long Term	720.00	[ICRA]A+ (CE) (Stable)	Jan 16, 2025	Provisional [ICRA]A+ (CE)(Stable)	-	-	-	-	-	-
				Feb 11, 2025	Provisional [ICRA]A+ (CE)(Stable)	-	-	-	-	-	-
NCD	Long Term	88.00	[ICRA]A+ (CE) (Stable)	Feb 11, 2025	Provisional [ICRA]A+ (CE)(Stable)	-	-	-	-	-	-
Proposed NCD	Long Term	242.00	Provisional [ICRA]A+ (CE) (Stable); withdrawn	Feb 11, 2025	Provisional [ICRA]A+ (CE)(Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD	Simple
NCD	Simple
Proposed NCD	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
INE755L07015	NCD	January 31, 2025	10.8%	January 31, 2028	980.0	[ICRA]A+(CE) (Stable)
INE755L07023	NCD	February 14, 2025	10.8%	January 31, 2028	720.0	[ICRA]A+(CE) (Stable)
INE755L07023	NCD	February 14, 2025	10.8%	January 31, 2028	88.0	[ICRA]A+(CE) (Stable)
NA	Proposed NCD	NA	NA	NA	242.0	Provisional [ICRA]A+(CE) (Stable); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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