

July 07, 2025

## Arliga Ecoworld Infrastructure Private Limited (erstwhile known as RMZ Ecoworld Infrastructure Private Limited): Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based – Term loan	11000.00	11000.00	[ICRA]A (Stable); reaffirmed
Long term – Unallocated limits	0.52	0.52	[ICRA]A (Stable); reaffirmed
<b>Total</b>	<b>11,000.52</b>	<b>11,000.52</b>	

\*Instrument details are provided in Annexure I

### Rationale

To arrive at the rating, ICRA has considered the consolidated financials of Arliga Ecoworld Infrastructure Private Limited (AEIPL), Arliga Northstar Projects Private Limited (ANSPPL) and Arliga Azure Projects Private Limited (AAPPL), given the common promoter, close business and financial linkages among the entities. The assets and cash flows of AAPPL and ANSPPL are a part of the security package for the debt availed in AEIPL.

The rating reaffirmation for AEIPL factors in the healthy occupancy levels at 87% as of March 2025 (89% as of April 2024) for a large-scale completed commercial office asset covering 13.0 million square feet (msf) of leasable area as of March 2025. Backed by healthy leasing pipeline, the occupancy is likely to further ramp up in the near to medium term. Despite elevated leverage levels, the company's debt coverage metrics remain adequate post refinancing of loan in 2024, with expected 5-year average debt service coverage ratio (DSCR) at ~1.25 times (FY2026-FY2030), supported by ramp up in occupancy and increase in rental rates.

The rating factors in AEIPL's strong business risk profile, long track record of operations and diversified tenant profile with leading multi-national and Indian corporates. The rating considers the favourable location of the assets across Bangalore, Chennai and Pune with good connectivity enhancing their marketability. The rating derives comfort from the experience and track record of the Brookfield Group, which is one of the world's largest alternative asset managers with an established track record in India and presence of more than a decade with ~USD 9.6 billion of assets under management (AUM) as of March 2025.

The rating, however, remains constrained by the expected elevated leverage levels for the portfolio with total external debt/det operating income (NOI) estimated at 8.3-8.5 times as of March 2026. The debt levels are likely to remain elevated due to top-up loan availed during refinancing, which will be utilised for the planned funded capex and statutory payments. The rating notes the vulnerability of debt coverage ratios to factors such as changes in interest rate or any material reduction in occupancy levels of the assets. However, the risks are partially mitigated by the established operational track record of the assets, a strong tenant profile and competitive rentals. AEIPL remains exposed to the inherent cyclicity in the real estate industry and vulnerability to external factors.

ICRA notes that a portion of AEIPL's consolidated portfolio will be acquired by Brookfield India Real Estate Trust (BIRET, rated [ICRA]AAA (Stable)) in the near term. ICRA will closely monitor the developments in this regard and its impact on the credit metrics will remain monitorable.

The Stable outlook on the rating reflects ICRA's belief that the company will benefit from the strong operational profile of the assets, adequate debt coverage indicators, along with the strong financial flexibility associated with the sponsor group.

## Key rating drivers and their description

### Credit strengths

**Large scale of operations and diversified asset base** – AEIPL has a strong business risk profile, long track record of operations and has diversified tenant profile with leading multi-national and Indian corporates. The assets are at favourable location of the assets across Bangalore, Chennai and Pune with good connectivity enhancing their marketability.

**Steady improvement in occupancy and adequate debt coverage metrics** – The occupancy of the consolidated assets of AEIPL stood healthy at 87% as of March 2025 (89% as of April 2024) for a large-scale completed commercial office asset covering 13.0 msf of leasable area as of March 2025. Backed by healthy leasing pipeline, the occupancy is expected to further ramp-up in the near to medium term. Despite elevated leverage levels, the company's debt coverage metrics remain adequate post refinancing of loan in 2024, with expected 5-year average DSCR at ~1.25 (FY2026-FY2030) times, supported by ramp up in occupancy and increase in rental rates.

**Strong sponsor group with established track record provides financial flexibility** – The Brookfield Group is one of the largest real estate investment managers globally. It has an established track record in India with presence of more than a decade with ~USD 9.6 billion of AUM as of March 2025. The portfolio is likely to benefit from the experienced management team and strong parentage, which provided strong financial flexibility and will support the asset SPVs in case of any liquidity requirements.

### Credit challenges

**Elevated leverage levels** – The leverage of the portfolio is expected to remain elevated with total debt to NOI estimated to be at 8.3-8.5 times as of March 2026. The debt levels are likely to remain elevated due to top-up loan availed during refinancing, which will be utilised for the planned capex. The rating notes the vulnerability of debt coverage ratios to factors such as changes in interest rate or material reduction in occupancy levels of the assets. However, the risks are partially mitigated by the established operational track record of the assets, a strong tenant profile and competitive rentals.

**Vulnerability of commercial real estate sector to cyclicalities** – AEIPL remains exposed to the inherent cyclicalities in the real estate industry and vulnerability to external factors. Nonetheless, ICRA takes comfort from the healthy occupancy levels of the consolidated assets.

### Liquidity position: Adequate

AEIPL's liquidity at a consolidated level is expected to remain adequate, with free cash balances of Rs. 337.8 crore as on May 31, 2025, apart from debt service reserve account (DSRA) balance of Rs. 100.9 crore. The company has a debt servicing obligation of around Rs. 122 crore in FY2026 and Rs. 136 crore in FY2027, which can be adequately met through its estimated cash flow from operations.

### Rating sensitivities

**Positive factors** – ICRA could upgrade the rating if there is a healthy increase in occupancy and rental rates resulting in improvement in debt protection metrics on a sustained basis. Specific credit metric for an upgrade includes Total external debt/NOI of less than 6.5 times on a sustained basis.

**Negative factors** – Negative pressure on the rating could emerge if there is a material decline in occupancy or rental rates or significant increase in indebtedness resulting in weakening of leverage and debt coverage metrics. Specific credit metric for a rating downgrade includes five-year average DSCR of less than 1.2 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Realty - Lease Rental Discounting (LRD)</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of AEIPL, Arliga Northstar Projects Private Limited (ANSPPL) and Arliga Azure Projects Private Limited (AAPPL) given the common promoter, close business and financial linkages among them. The assets and cash flows of AAPPL and ANSPPL are a part of the security package for the debt availed in AEIPL.

## About the company

Arliga Ecoworld Infrastructure Private Limited (AEIPL), along with AAPPL, is wholly owned by a Brookfield Asset Management (BAM) managed fund (BSREP III New York FDI I (DIFC)). ANSPPL continues to be held by BSREP III New York II (DIFC) Limited. The consolidated asset profile of AEIPL, AAPPL and ANSPPL has a portfolio of 13.0 msf of commercial office spaces across Bangalore, Chennai and Pune having 87% occupancy as of March 2025. The portfolio includes business parks such as Ecoworld, Ecospace, Centennial, NXT, Azure, RMBP I and RMBP II, Icon, EW4D and Northstar across the three cities. BSREP III New York FDI I (DIFC) and BSREP III New York II (DIFC) are a part of BAM, which is one of the largest real estate investment managers globally and has an established track record in India.

## Key financial indicators (audited)

Consolidated (AEIPL+AAPPL+ANSPPL)	FY2024	FY2025
	Audited	Provisional
Operating income	1424.3	1528.3
PAT	-625.2	-497.8
OPBDIT/OI	67.5%	66.9%
PAT/OI	-43.9%	-32.6%
Total outside liabilities/Tangible net worth (times)	-2.1	-2.2
Total debt/OPBDIT (times)	14.9	14.7
Interest coverage (times)	0.7	0.7

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)	July 07, 2025	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	11,000.00	[ICRA]A (Stabe)	May 22, 2024	[ICRA]A (Stabe)	Aug 04, 2023	[ICRA]A- (Stabe)	June 14, 2022	[ICRA]A- (Stabe)
Unallocated	Long term	0.52	[ICRA]A (Stabe)	May 22, 2024	[ICRA]A (Stabe)	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	Simple
Long term – Unallocated	Not Applicable

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	Term loan	FY2024	NA	FY2039	11,000.00	[ICRA]A (Stable)
NA	Unallocated	NA	NA	NA	0.52	[ICRA]A (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

Company name	ownership	Consolidation approach
Arliga Ecoworld Infrastructure Private Limited (AEIPL)	Rated Entity	Full consolidation
Arliga Azure Projects Private Limited (AAPPL)	Common Sponsor; part of the security package for the rated instrument	Full consolidation
Arliga Northstar Projects Private Limited (ANSPPL)	Part of the security package for the rated instrument	Full consolidation

Source: Company; ICRA Research

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