

November 13, 2025

Exora Business Park Private Limited: Rating upgraded and removed from Rating Watch with Positive Implications; Stable outlook assigned

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loans	1250.00	1200.00	[ICRA]AAA (Stable); upgraded from [ICRA]A+; removed from Rating Watch with Positive Implications; Stable outlook assigned
Total	1250.00	1200.00	

**Instrument details are provided in Annexure I*

Rationale

The rating upgrade for the bank lines of Exora Business Park Private Limited (EBPPL) factors in the change in shareholding, by virtue of now being a wholly-owned subsidiary of Knowledge Realty Trust (KRT, rated [ICRA]AAA (Stable)), with cash flow fungibility with other special purpose vehicles (SPVs) of the REIT lending exceptional financial flexibility. Moreover, the rating notes the significant improvement in the debt coverage metrics post debt refinancing with favourable terms. EBPPL's debt has been refinanced post-acquisition by KRT with ~120 bps reduction in interest rate and increase in residual tenor by 3.25 years, with repayments ending in September 2040. This led to a healthy improvement in the debt coverage metrics with five-year average DSCR estimated at 1.9-2.0 times during FY2026-FY2030 period. The rating positively factors in the adequate leverage metrics with total debt to annualised NOI estimated at around 5.9 – 6.0 times as of March 2026 and advantageous location of the asset at Marathahalli-Sarjapur Outer Ring Road, in Bengaluru, which is a well-developed commercial area. The company houses commercial office project, Exora Business Park, having a leasable area of 2.2 million square feet (msf). The occupancy levels of the asset remain healthy at 92% as of September 2025 with strong tenant profile.

The rating strengths are, however, partially offset by the high tenant concentration risk with top 5 tenants occupying ~72% of the area as of March 2025. Nevertheless, the strong tenant profile, competitive rentals for most tenants and investments in fitouts by tenants mitigate the tenant concentration risk to an extent. The rating notes the inherent cyclicality in the real estate industry and vulnerability to adverse macroeconomic and external conditions, which could impact the tenant's business risk profiles. The rating considers the susceptibility of its debt coverage metrics to factors such as changes in interest rates or material reduction in occupancy levels, though there is adequate cushion in the coverage metrics to temporarily withstand any material changes on the same in the interim.

The Stable outlook on the rating reflects ICRA's expectations that the company will benefit from the strong parentage, healthy occupancy levels and will maintain strong debt coverage metrics.

Key rating drivers and their description

Credit strengths

Strength derived from parentage and status as a strategically important SPV of Knowledge Realty Trust – EBPPL is a wholly-owned subsidiary of KRT (REIT, rated [ICRA]AAA (Stable)), which has a portfolio of 46.3 msf of operational and under-construction commercial office assets. The trust is sponsored by The Blackstone Group and the Sattva Group, who have an established position in the domestic commercial office industry, with an extensive track record of acquisitions, construction, leasing and operating office assets across multiple locations. EBPPL is among the strategically important SPVs for KRT and accounts for ~5% of REIT's market value as of March 2025.

Adequate leverage and strong debt coverage metrics – The leverage is expected to be adequate with total debt to annualised NOI estimated at around 5.9-6.0 times as of March 2026. In September 2025, the company had refinanced its existing LRD loan of Rs. 1,250.0 crore by a new LRD loan of Rs. 1,200 crore resulting in reduction in interest rate by ~120 bps and increase in residual tenor by 3.25 years, with repayments ending in September 2040. This led to healthy improvement in the debt coverage metrics with five-year average DSCR estimated at 1.9-2.0 times during FY2026-FY2030.

Favourable location of property – The company’s asset (Exora Business Park) is located on the Marathahalli-Sarjapur Outer Ring Road, in Bengaluru, which is a prime area for commercial office space, with significant demand from the IT/ITES sectors. The company has a total leasable area of 2.2 msf, with healthy occupancy of 92% as of September 2025 and strong tenant profile. The favourable location of the property is expected to support leasing for the balance area.

Credit challenges

Exposure to tenant concentration and residual market risks – The project has a total leasable area of 2.2 msf, of which committed occupancy was 92% as of September 2025. The company remains exposed to residual market risks for the balance area. The tenant concentration of Exora Business Park is high with top five tenants occupying 72% of the leased area as of June 2025. However, the strong tenant profile, competitive rentals for most tenants and investments in fitouts by tenants mitigate the tenant concentration risk to an extent.

Vulnerability of debt coverage ratios to changes in interest rate and occupancy levels – The debt coverage ratios remain exposed to changes in interest rates and reduction in occupancy levels of the office asset. The susceptibility to any changes in occupancy are heightened by the asset and tenant concentration in the company.

Liquidity position: Adequate

The company’s liquidity position is adequate, supported by stable rental income and free cash balances of Rs. 64.5 crore as of March 2025. The cash flow from operations is expected to remain comfortable to service the debt obligations in FY2026 and FY2027.

Rating sensitivities

Positive factors – Not applicable.

Negative factors – Negative pressure on the rating could emerge if there is a material decline in occupancy, or a significant increase in indebtedness resulting in weakening of debt protection metrics on a sustained basis. Further, any deterioration in the credit profile or weakening of linkages with KRT REIT might have a bearing on EBPL’s rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Parent company: Knowledge Realty Trust ICRA expects that EBPL’s parent will be willing to extend financial and operational support, if required, given the strategic importance of EBPL to KRT and KRT’s reputation sensitivity to its SPV’s default.
Consolidation/Standalone	Standalone

About the company

EBPPL houses an operational commercial office project, Exora Business Park, on the Marathahalli-Sarjapur Outer Ring Road, Bengaluru. The project is spread across 21.3 acres of land and was developed in two phases. It comprises three buildings (B1, B2 and B3) encompassing 3.0 msf of built-up area and 2.2 msf of leasable area. As of September 2025, the asset is 92% occupied. The company was acquired by KRT in August 2025 and is now a 100% subsidiary of the REIT. EBPPL accounts for ~5% of REIT's market value as of March 2025.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	214.7	209.8
PAT	26.1	31.3
OPBDITA/OI	77.9%	74.8%
PAT/OI	12.1%	14.9%
Total outside liabilities/Tangible net worth (times)	2.3	3.2
Total debt/OPBDITA (times)	7.5	7.9
Interest coverage (times)	1.6	1.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDITA: 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

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	FY2026			FY2025		FY2024		FY2023	
			Nov 13, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term – Fund-based – Term loans	Long Term	1,200.00	[ICRA]AAA (Stable)	Aug 04, 2025	[ICRA]A+; Rating Watch with Positive Implications	Dec 17, 2024	[ICRA]A+ (Stable)	Oct 17, 2023	[ICRA]A+ (Stable)	Aug 24, 2022	[ICRA]A+ (Stable)
						-	-	-	-	Sep 23, 2022	[ICRA]A+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Term loan	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	Fund-based – Term loans	Sep 25, 2025	NA	Sep 30, 2040	1200.00	[ICRA]AAA (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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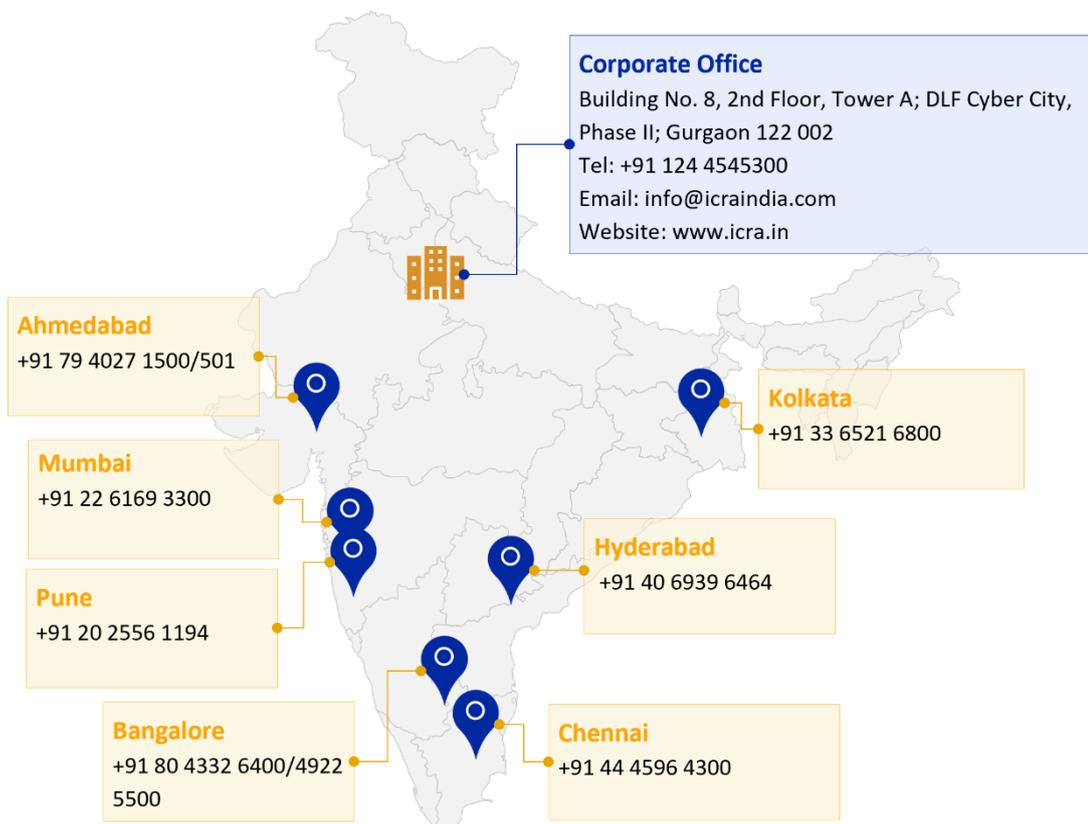
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