

November 13, 2025

One World Center Private Limited: Rating upgraded and removed from 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	2700.00	2700.00	[ICRA]AAA (Stable); upgraded from [ICRA]A- and removed from Watch with Positive Implications; Stable outlook assigned
Total	2700.00	2700.00	

**Instrument details are provided in Annexure I*

Rationale

The rating upgrade for the bank lines of One World Center Private Limited (OWCPL) factors in the favorable 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 action notes the significant improvement in the debt coverage metrics post debt reduction.

The company houses a commercial office project, One World Center having a total leasable area of 1.7 million square feet (msf). The committed occupancy levels of the asset improved to 91% as of September 2025 (85% as of November 2024), supported by healthy demand in the Lower Parel micromarket of Mumbai Metropolitan Region (MMR). The company's gross debt reduced to Rs. 2,232.5 crore as of September 2025 from Rs. 2,655.7 crore as of June 2025 due to prepayment through available liquidity, IPO proceeds and debt raised at REIT level. Consequently, the leverage and debt coverage metrics at OWCPL are likely to improve with total debt/annualised net operating income (NOI) of 6.0 – 6.2 times as of March 31, 2026 and comfortable five-year average DSCR at 1.7 - 1.9 times during FY2026-FY2030. The rating notes the advantageous location of the asset at Lower Parel, Mumbai, which is a well-developed commercial area. The tenant profile is strong and includes reputed multi-national and Indian corporates.

ICRA takes note of the moderate tenant concentration risk with top 5 tenants contributing to ~37% of the rental income as of March 2025. However, the strong tenant profile, competitive rentals for most tenants and investments in fitouts by tenants, improves the tenant stickiness and mitigate the tenant concentration risk to an extent. The ratings note 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 coverage metrics are exposed to factors such as changes in interest rates or material reduction in occupancy levels. However, there is adequate cushion in cash flows and coverage metrics to withstand temporary headwinds 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 comfortable 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 – OWCPL is wholly-owned subsidiary of KRT, which has a portfolio of 46.3 msf of operational and under-construction commercial office assets. The operations are diversified with 27 operational Grade-A commercial office projects comprising 37.1 msf of operational leasable area across Bengaluru, Hyderabad, Mumbai, Chennai, Ahmedabad and Gurugram. Another three commercial office

projects with a combined leasable area of around 9.2 msf are under construction for future development. OWCPL is among the strategically important SPVs for KRT and accounts for ~9% of REIT’s market value as of March 2025.

Adequate leverage and strong coverage metrics – The rating upgrade factors in the expected improvement in the leverage and coverage indicators post reduction in debt levels. The company’s gross debt reduced to Rs. 2,232.5 crore as of September 2025 from Rs. 2,655.7 crore as of June 2025 due to prepayment through available liquidity, IPO proceeds and debt raised at REIT level. Consequently, the leverage and debt coverage metrics are likely to improve with total debt/annualised NOI of 6.0 – 6.2 times as on March 31, 2026 and comfortable five-year average DSCR at 1.7 - 1.9 times during FY2026-FY2030.

Favourable location of property – One World Center is in Lower Parel, Mumbai, adjacent to Senapati Bapat Marg. It is centrally located between Nariman Point and the BKC area. It is well connected through road and rail network, which is likely to help OWCPL maintain healthy occupancy over the medium term. The committed occupancy levels improved to 91% as of September 2025 (85% as of November 2024), supported by healthy demand in the Lower Parel micromarket of MMR. The tenant profile is strong and includes reputed multi-national and Indian corporates.

Credit challenges

Moderate tenant concentration and asset concentration risks – OWCPL is exposed to moderate tenant concentration risk with top 5 tenants contributing to ~37% of the rental income as of March 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. The company is exposed to asset concentration risks inherent in a single project portfolio.

Vulnerability of debt coverage ratios to changes in interest rate and occupancy levels; exposed to cyclicality – The company’s cash inflows are susceptible to volatility in occupancy or rent rates, while the cash outflows are relatively fixed in nature except for any fluctuations in interest rates. Thus, the debt coverage ratios remain exposed to changes in interest rates and reduction in occupancy levels of the office asset. The credit profile remains exposed to the inherent cyclicality in the real estate industry and vulnerability to adverse macroeconomic and external conditions, which could impact the tenant’s business risk profile.

Liquidity position: Adequate

The company’s liquidity position is adequate. The cash flow from operations is expected to remain comfortable to service the debt obligations in FY2026 and FY2027. Further, it has unutilised OD limits of around Rs. 230 crore as of October 2025, which further support the liquidity position.

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 OWCPL’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 (KRT) ICRA expects that OWCPL’s parent will extend financial and operational support, if required, given the strategic importance of OWCPL to KRT and KRT’s reputation sensitivity to its SPVs’ default.
Consolidation/Standalone	Standalone

About the company

One World Center Private Limited (OWCPL), incorporated in April 2020, owns and operates a commercial office building One World Center in Lower Parel, Mumbai, with a total leasable area of 1.7 msf. As of September 2025, the asset is 91% occupied. The company was acquired by KRT in August 2025 and is now a 100% subsidiary of the REIT. OWCPL accounts for ~9% of REIT's market value as of March 2025.

Key financial indicators (audited)

One World Centre Private Limited	FY2024	FY2025
Operating income	303.6	347.6
PAT	-14.2	-35.1
OPBDITA/OI	74.9%	80.1%
PAT/OI	-4.7%	-10.1%
Total outside liabilities/Tangible net worth (times)	-3.6	-1.9
Total debt/OPBDITA (times)	11.2	9.0
Interest coverage (times)	0.9	1.2

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

OWCPL follows IndAS and hence reported P&L metrics are not a true reflection of cash flows

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	Aug 04, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Working capital limits	Long Term	2700.00	[ICRA]AAA (Stable)	[ICRA]A-; Rating Watch with Positive Implications	Mar 05, 2025	[ICRA]A- (Stable)	Jan 29, 2024	[ICRA]BBB+ (Stable)	July 22, 2022	[ICRA]BBB (Stable)
			-	-	-	-	-	-	Mar 21, 2023	[ICRA]BBB+ (Stable)
Non-fund based	Long Term	0.00	-	-	-	-	-	-	July 22, 2022	[ICRA]BBB (Stable)
			-	-	-	-	-	-	Mar 21, 2023	[ICRA]BBB+ (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	Term loan	FY2024	-	FY2039	2700.00	[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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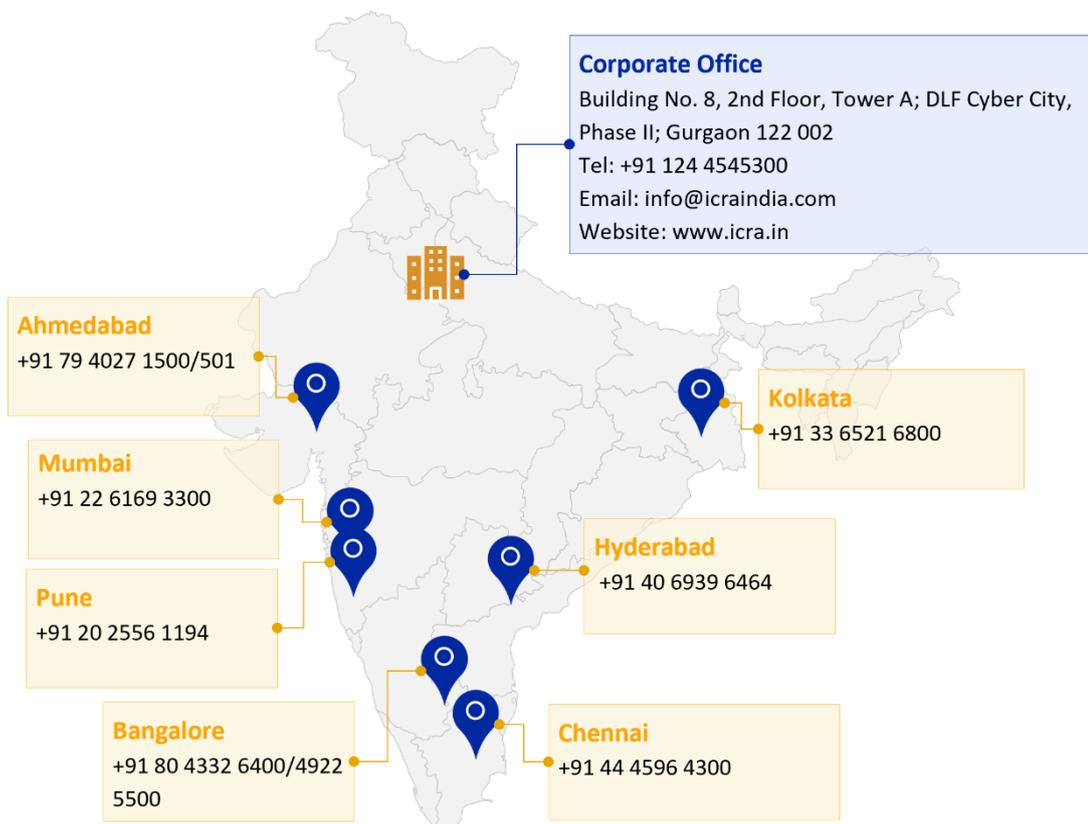
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