March 03, 2026

Arliga Ecoworld Infrastructure Private Ltd (erstwhile RMZ Ecoworld Infrastructure Pvt Ltd): Rating reaffirmed and removed from Watch with Developing 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 loan	11,000.00	3,150.23	[ICRA]A (Stable); reaffirmed and removed from Watch with Developing Implications; Stable outlook assigned
Long-term - Unallocated limits	0.52	0.00	-
Total	**11,000.52**	**3,150.23**	

**Instrument details are provided in Annexure-I*

Rationale

On December 11, 2025, ICRA has placed the rating of Arliga Ecoworld Infrastructure Private Limited (AEIPL) on Watch with Developing Implications on account of the proposed demerger of AEIPL into four entities. The rating watch is resolved now as the demerger process is completed in Q3 FY2026. Post demerger, AEIPL's operational portfolio stood at 3.25 million square feet (msf) against ~13 msf earlier of the leasable area as of January 2026. Consequently, its debt level has also reduced. The residual area was demerged into three separate special purpose vehicles (SPVs), of which the larger area (of 7.7 msf) was acquired by Brookfield India REIT (BIRET, rated [ICRA]AAA (Stable)/[ICRA]A1+).

The rating reaffirmation for AEIPL factors in the healthy occupancy of its office assets, backed by the favourable location and adequate debt service coverage ratio (DSCR) during FY2027-2029 due to low repayment obligations. At present, AEIPL houses three assets – Ecospace at Outer Ring Road (ORR) South-East (SE), Bengaluru, MBP I and II at Perungudi, Chennai, which are strategically situated in prime locations, whose micromarkets are major hubs for IT/ITeS companies, thereby enhancing their marketability. Backed by the healthy leasing pipeline, the occupancy of the assets is expected to improve further from the current 85% as of January 2026 in the near term. The rating considers the reputed sponsor profile of AEIPL, which is backed by the Brookfield Group through BSREP III New York FDI I (DIFC) Limited. The Brookfield Group is one of the world's largest alternative asset managers, with more than a decade of experience operating in India and has more than USD 13 billion in assets under management (AUM) as of December 2025, which provides strong financial flexibility.

The rating, however, remains constrained by the expected elevated leverage levels for the company with total external debt/net operating income (NOI) estimated at 8.5-9.0 times as of March 2027. Owing to modest repayment obligations in the medium term (till FY2029), the leverage is unlikely to improve materially. Nevertheless, the coverage metrics remain adequate in the interim. In the subsequent years, ICRA expects resizing of debt or monetisation should help in deleveraging of the asset and improve its coverage metrics. The cash surplus in the interim is likely to retain in the SPV, which should aid the liquidity position. The rating notes the susceptibility of debt coverage ratios to factors such as changes in interest rate or any material reduction in occupancy levels of the assets. Nevertheless, 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 cyclicality in the real estate industry and vulnerability to external factors.

The Stable outlook on the rating reflects ICRA's belief that the company will benefit from the favourable location of the assets, healthy occupancy levels, along with the strong financial flexibility associated with the sponsor group.

Key rating drivers and their description

Credit strengths

Favourable asset location and healthy occupancy levels – At present, AEIPL houses three assets – Ecospace at Outer Ring Road (ORR) South-East (SE), Bengaluru, MBP I and II at Perungudi, Chennai, which are strategically situated in prime locations whose micromarkets are major hubs for IT/ITeS companies, thereby enhancing their marketability. Backed by the healthy leasing pipeline, the occupancy of the assets is expected to improve further from the current 85% as of January 2026 in the near term. In addition, AEIPL has adequate DSCR during FY2027-2029 of >1.20 times due to lower repayment obligations.

Reputed sponsor group with established track record provides strong financial flexibility – The Brookfield Group is one of the largest real estate investment managers globally. In India, through its affiliates, Brookfield has an established track record of more than a decade, with more than USD 13 billion of real estate AUM as of December 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 – AEIPL's leverage in the form of total external debt/NOI is estimated at 8.5-9.0 times as of March 2027. The debt levels are likely to remain elevated in the near to medium term as the company has low principal repayment obligations during FY2027-2029, post which the leverage is expected to moderate. In the subsequent years, ICRA expects resizing of debt or monetisation should help in deleveraging of the asset and improve its coverage metrics. The cash surplus in the interim is likely to retain in the SPV, which should continue to aid the liquidity position.

Exposure to cyclicality in commercial real estate – The company remains exposed to the inherent cyclicality in the real estate industry and is susceptible to external factors. The rating notes the vulnerability of its debt coverage metrics to factors such as changes in interest rates or material reduction in occupancy levels. However, the risks are partially mitigated by the established operational track record of the assets, a strong tenant profile and competitive rentals.

Liquidity position: Adequate

AEIPL's liquidity position is adequate, supported by free cash and bank balances of Rs. 16.5 crore as on December 31, 2025, apart from debt service reserve account (DSRA) balance of Rs. 26.4 crore (one month principal + interest obligation). The company does not have any principal repayment obligations until July 2027. The cash flows from operations are expected to remain comfortable to service its debt obligations in FY2028 and FY2029. AEIPL does not have significant debt funded capex plans in medium term.

Rating sensitivities

Positive factors – The rating can be upgraded if the company is able to sustain high occupancies and material reduction in indebtedness leading to improvement in leverage metrics and coverage metrics. Specific credit metric for an upgrade includes Total external debt/NOI of less than 6.0 times on a sustained basis.

Negative factors – Pressure on the rating could emerge if there is a material decline in occupancy or a significant increase in indebtedness, resulting in a deterioration of debt protection metrics on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Realty - Lease Rental Discounting (LRD) Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

AEIPL is wholly owned by Brookfield Asset Management (BAM) managed fund (BSREP III New York FDI I (DIFC) Limited). At present, it has a portfolio with a leasable office space of 3.25 msf across Bangalore and Chennai with 85% occupancy as of January 2026. The portfolio includes Ecospace (Bangalore), Millenia Business Park (MBP) I and MBP II (Chennai).

Key financial indicators (audited)

Previous key financial indicators are not meaningful as AEIPL got demerged into four entities in FY2026.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	March 03, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	3,150.23	[ICRA]A (Stable)	Jul 07, 2025	[ICRA]A (Stable)	May 22, 2024	[ICRA]A (Stable)	Aug 04, 2023	[ICRA]A- (Stable)	Jun 14, 2022	[ICRA]A- (Stable)
		-	-	Dec 11, 2025	[ICRA]A Rating Watch with Developing Implications	-	-	-	-	-	-
Unallocated limits-Unallocated limits	Long Term	0.00	-	Jul 07, 2025	[ICRA]A (Stable)	May 22, 2024	[ICRA]A (Stable)	-	-	-	-
		-	-	Dec 11, 2025	[ICRA]A Rating Watch with Developing Implications	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based - Term loan	Simple
Unallocated limits	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	**Term loan**	FY2024	NA	FY2039	3150.23	[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

Not Applicable

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