

May 25, 2026

RMZ Hotels Private Limited: Rating upgraded to [ICRA]A (Stable) from [ICRA]A- (Positive)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund-based/Term loan	3291.6	3291.6	[ICRA]A (Stable); upgraded from [ICRA]A- (Positive); outlook revised to Stable from Positive
Long-term - Non-Fund based – Forward Cover/CEL	42.8	42.8	[ICRA]A (Stable); upgraded from [ICRA]A- (Positive); outlook revised to Stable from Positive
Total	3334.4	3334.4	

*Instrument details are provided in Annexure II

Rationale

The rating upgrade for RMZ Hotels Private Limited (RHPL) factors in the improvement in pre-leasing in phase 2 (1.7 million square feet (msf)) of the Ecoworld (EW) 30 project and sustained healthy occupancy at 100% in Phase 1 (1.7 msf) while maintaining adequate debt protection metrics, which are expected to continue in the medium term. The occupancy certificate (OC) for phase 2 of the project is expected to be received in H1 FY2027 (one year before the planned timeline) and has pre-leasing of 39% as of March 2026 (25% as of October 2025). A healthy market demand, attractive location of the project and strong leasing pipeline, are expected to significantly ramp up the leasing for phase 2 in the near term, which will mitigate the refinancing risk associated with the construction finance (CF) loan (bullet repayment in July 2028). As the debt draw down plans to meet the pending capex cost of phase 2 and upstreaming of surplus funds to promoters, the leverage, as measured by total debt to annualised net operating income (NOI), is projected to remain adequate at 6.5 times as of March 2028 (first full year of operations for phase 2). Consequently, the debt coverage metrics are expected to remain comfortable. The rating also derives comfort from the strong promoter profile, with equal shareholding by the RMZ Group and Mitsui Fudosan, which provides financial flexibility. The RMZ Group has a demonstrated track record in real estate development, having delivered over 40 msf of commercial office space across multiple cities. Additionally, the asset benefits from its prime location on Outer Ring Road (ORR), Bengaluru, which enhances its marketability and leasing prospects.

The rating is, however, constrained by the moderate market risk for the balance area in Phase 2. However, comfort can be drawn from the healthy leasing demand in the micromarket, attractive location of the property, which enhances the marketability of the project and the strong leasing track record of the RMZ Group. Further, the top five tenants occupy nearly 48% of the total leasable area exposing it to concentration risk. Nonetheless, a reputed tenant profile, along with long lease tenures and lock-in period mitigate the risk to an extent. The rating notes the vulnerability of its debt coverage metrics to factors such as changes in interest rates or material reduction in occupancy levels.

Key rating drivers and their description

Credit strengths

Strong occupancy levels for Phase 1 and comfortable debt coverage metrics – The Phase 1 of the EW30 project witnessed strong occupancy at 100% levels, which is expected to sustain in the medium term. The occupancy certificate (OC) for phase 2 of the project is expected to be received in H1 FY2027 (one year before the planned timeline) and has pre-leasing of 39% as of

March 2026 (25% as of October 2025). A healthy market demand, attractive location of the project and strong leasing pipeline, are expected to significantly ramp up the leasing for phase 2 in the near term, which will mitigate the refinancing risk associated with the CF loan. As the debt draw down plans to meet the pending capex cost of phase 2 and upstreaming of surplus funds to promoters, the leverage, as measured by total debt to annualised net operating income (NOI), is projected to remain adequate at 6.5 times as of March 2028 (first full year of operations for phase 2). Consequently, the debt coverage metrics are expected to remain comfortable, with a five-year average debt service coverage ratio (DSCR) of 1.35-1.40 times during FY2027-FY2031.

Favourable location of asset – The project is located on ORR, Bengaluru, which has seen a significant growth in demand and absorption of leased office space. The Group has demonstrated healthy performance in the earlier phases of Ecoworld campus. The favourable location will enhance the marketability of the project. ICRA notes that the project’s micromarket witnesses the highest absorption of office space in the city and the existing Ecoworld campus operates at high occupancy with a reputed tenant profile.

Established track record of promoter groups in commercial real estate – RHPL is a 50:50 special purpose vehicle (SPV) held by the RMZ Group and Mitsui Fudosan, lending strong financial flexibility. The RMZ Group has a healthy execution track record in the real estate space and is one of the leading players in the commercial real estate segment in Bengaluru. It has developed over 40 msf of commercial real-estate space across several cities.

Credit challenges

Exposure to moderate market risk in Phase 2 of project – The company is exposed to moderate market risks for the balance area in Phase 2. However, comfort can be drawn from the healthy leasing demand in the micromarket, attractive location of the property, which enhances the marketability of the project and the strong leasing track record of the RMZ Group.

Exposure to cyclicity in commercial real estate – The company remains exposed to the inherent cyclicity in the real estate industry and is susceptible to external factors. The rating notes the vulnerability of its debt coverage metrics to changes in interest rates or material reduction in occupancy levels.

Liquidity position: Adequate

RHPL’s liquidity profile is Adequate, supported by free cash and liquid investments of Rs. 300-320 crore as of April 2026. The pending project cost of Rs. 540-550 crore as of March 2026, will be funded by undrawn CF debt. The company has principal repayment obligations of Rs. 56 crore in FY2027, which can be comfortably serviced through cash flow from operations.

Rating sensitivities

Positive factors – RHPL’s rating could be upgraded if there is a stable track record of rental inflows for the entire asset along with a material reduction in indebtedness, leading to improvement in debt protection metrics on a sustained basis.

Negative factors – Pressure on the rating could arise if there is any material decline in occupancy levels or significant increase in indebtedness resulting in deterioration of debt protection metrics. Specific credit metrics for a rating downgrade include five-year average DSCR lower than 1.2 times on a sustained basis.

Analytical approach

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

About the company

Akarshak Infrastructure Pvt Ltd (AIPL) (now RHPL, post-merger) was promoted by the Adarsh Group. It was incorporated on June 27, 2008, to construct, develop and manage a five-star hotel and serviced apartments. Subsequently, the RMZ Group bought 14.2 acres of land at Outer Ring Road, Bengaluru, which is a part of the RMZ Ecoworld campus. The RMZ Group purchased the land bank and demolished the partly built hotel structure to build a commercial office space. RHPL (erstwhile AIPL) started construction of the commercial office project – Ecoworld 30 – in FY2019.

The land for the project, measuring 14 acres 08.75 gunthas, is owned by the SPV and civil construction for development of 1.7 msf of commercial office space is in progress.

Phase 1 of the EW30 project (comprising EW 31 and 32 towers) has been completed and fully operational since FY2023. Phase 2 of the EW-30 project (comprising EW 30 and 33 towers) is expected to receive OC in H1 FY2027.

As on March 31, 2025, 50% of RHPL shares are held by the RMZ Group. The remaining shares are held by Mitsui Fudosan (Asia) Pte Ltd.

Key financial indicators (audited)

RHPL (Standalone)	FY2024	FY2025	9MFY2026*
Operating income	63.6	191.4	198.9
PAT	-60.1	72.1	19.9
OPBDIT/OI	56.3%	80.7%	84.9%
PAT/OI	-94.4%	37.6%	10.0%
Total outside liabilities/Tangible net worth (times)	2.1	2.1	2.2
Total debt/OPBDIT (times)	57.0	13.9	10.0
Interest coverage (times)	0.3	0.9	1.2

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

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

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	May 25, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Long-term - Fund-based – Term loans	Long-term	3291.60	[ICRA]A (Stable)	May 26, 2025	[ICRA]A- (Positive)	Aug 02, 2024	[ICRA]A- (Stable)	Dec 01, 2023	[ICRA]A- (Stable)
				Nov 24, 2025	[ICRA]A- (Positive)			Nov 15, 2023	[ICRA]A- (Stable)
Long-term - Non-fund based – Forward cover/CEL	Long-term	42.80	[ICRA]A (Stable)	May 26, 2025	[ICRA]A- (Positive)	-	-	-	-
				Nov 24, 2025	[ICRA]A- (Positive)				

Unallocated limits	Long-term	0.00	-	-	-	-	Dec 01, 2023	[ICRA]A-(Stable)
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Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

- (@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.
- (#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund based – Term loan	Simple
Long-term - Non-fund based – Forward cover/CEL	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
-	Term loans - 1	FY2024	-	FY2039	820.00	[ICRA]A (Stable)
-	Term loans - 2	FY2025	-	FY2040	1,320.00	[ICRA]A (Stable)
-	Term loans – 3	FY2026	-	FY2029	1,151.6	[ICRA]A (Stable)
-	Non-fund based – Forward cover/CEL	-	-	-	42.80	[ICRA]A (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

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Branches



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