June 04, 2026

Embassy Commercial Projects (Whitefield) Private Limited: [ICRA] A- (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	1750.00	[ICRA]A- (Stable); assigned
Long-term – Interchangeable – Overdraft	(175.00)	[ICRA]A- (Stable); assigned
Total	**1750.00**	

**Instrument details are provided in Annexure II*

Rationale

The rating assigned to the bank facilities of Embassy Commercial Projects (Whitefield) Private Limited (ECPWPL) factors in the favourable location of the asset at Embassy Tech Village, Outer Ring Road (ORR), Bengaluru, along with the healthy occupancy levels of its operational tower – Tower 3 and adequate coverage metrics. The project has two towers – Tower 3 and 4 with a total leasable area of 4.20 million square feet (msf), of which Tower 3 with a total leasable area of 1.67 msf became operational in FY2024 and has healthy occupancy of 93% as of March 2026, which is expected to sustain in the medium term, along with a reputed tenant profile. For the operational tower, the debt coverage metrics is expected to remain adequate with five-year average debt service coverage ratio (DSCR) of around 1.20-1.25 times during FY2027-2031, supported by a back-ended repayment schedule. The rating considers the presence of strong sponsor, Blackstone Group, which holds 60% stake in the company through its affiliates, i.e., entities owned or managed by The Blackstone Group Inc. The sponsor has a strong track record of developing and operating commercial real estate assets in India and commands exceptional financial flexibility.

The rating is, however, constrained by the company's elevated leverage with Total External Lease Rental Discounting (LRD) Debt/Annualised Net Operating Income (NOI) expected to be around 7.40-7.60 times as of March 2027. ECPWPL faces high execution and funding risks for the under-construction tower – Tower 4, which has a total leasable area of around 2.53 msf. and the construction is expected to commence from Q3 FY2027. The total budgeted cost of Tower 4 is estimated to be around Rs. 1,800-2,100 crore, which will be funded majorly with construction finance (CF) debt, which is currently under discussion with prospective lenders and yet to be tied up. The company faces market risk for Tower 4 as there are no pre-leasing tie-ups as on date. Nonetheless, its execution and achieving lease tie-ups with reputed counterparties for Tower 3 and the sponsor's established track record in India provide some comfort. The rating is further constrained by ECPWPL's exposure to high tenant concentration risk for Tower 3, with top five tenants occupying 100% of the leased area. Nevertheless, the reputed tenant profile, along with significant fitout cost by tenants, mitigates the risk to some extent. The rating factors in the high geographical and asset concentration risks, which are inherent in single project special purpose vehicles (SPVs).

The Stable outlook on the rating reflects ICRA's expectations that the company will benefit from the healthy occupancy levels for its operational tower and adequate debt coverage metrics.

Key rating drivers and their description

Credit strengths

Healthy occupancy levels of operational tower and adequate debt coverage metrics – The project has two towers – Tower 3 and 4 with a total leasable area of 4.20 msf, of which Tower 3 with total leasable area of 1.67 msf became operational in FY2024 and has healthy occupancy of 93% as of March 2026, which is expected to sustain in medium term, along with reputed tenant profile. ECPWPL has granted right of first offer asset to Embassy Real Estate Investment Trust (REIT). For the operational tower, the debt coverage metrics is expected to remain adequate with five-year average DSCR of around 1.20-1.25 times during FY2027-2031, supported by the back-ended repayment schedule.

Favourable location of project – The project is located on ORR, Bengaluru, which has seen a significant growth in demand and absorption of leased office space. Further, the project is part of the premises of Embassy Tech Village (ETV, a part of the Embassy Office Parks REIT (Embassy REIT)), enhancing its marketability. The project's micro-market witnesses one of the highest absorption of office space in the city and the existing ETV campus operates at high occupancy with a reputed tenant profile.

Strong sponsor group with established track record lend exceptional financial flexibility – The company is 60% owned by the Blackstone Group, which is one of the leading owners of office spaces in India, with a large portfolio of office properties across Bengaluru, Pune, Hyderabad, Mumbai, the National Capital Region (NCR) and Chennai. The sponsor has established leasing relationships with several blue-chip multinational companies as well as Indian corporates. Its strong track record in the real estate sector, diverse portfolio in the retail and commercial real estate business in India, provide comfort and allow it to command exceptional financial flexibility.

Credit challenges

High leverage levels – The company's leverage is elevated with Total External LRD Debt/Annualised NOI expected to be around 7.40-7.60 times as of March 2027.

Exposure to high execution, funding and market risks for under-construction tower – The company faces high execution and funding risks for the under-construction tower – Tower 4, which has a total leasable area of around 2.53 msf. The construction is expected to commence from Q3 FY2027. The total budgeted cost of Tower 4 is projected at Rs. 1800-2100 crore which will be funded majorly with CF debt, which is currently under discussion with prospective lenders and yet to be tied up. The company is further exposed to market risk for Tower 4 as there are no pre-leasing tie-ups as on date. Nonetheless, its execution and achieving lease tie-ups with reputed counterparties for Tower 3 and the sponsor's established track record in India provide some comfort.

Exposure to tenant concentration and asset concentration risks – The company is exposed to high tenant concentration risk for Tower 3, with top five tenants occupying 100% of the leased area. Nevertheless, the reputed tenant profile, along with significant fitout cost by tenants, mitigates the risk to some extent. The rating factors in the high geographical and asset concentration risks, which are inherent in single project SPVs.

Liquidity position: Adequate

The company's liquidity position is adequate, marked by undrawn bank lines of around Rs. 950 crore (including overdraft facility of Rs. 175 crore) as of March 2026, along with cash and bank balances of Rs. 47.8 crore as of March 2026. It has debt repayment obligations of Rs. 127 crore in FY2027, which is expected to be adequately met through its cash flow from operations. Further, the company has planned capex of around Rs 1800-2100 crore towards construction of Tower 4, over the next five years, which will be funded primarily by CF debt.

Rating sensitivities

Positive factors – The rating could be upgraded if there is sustained high occupancy for the completed tower along with healthy leasing for the under-construction tower at adequate rental rates, resulting in an improvement in leverage and debt coverage metrics on a sustained basis.

Negative factors – Pressure on the rating could arise in case there is any significant decline in occupancy levels/rental collections for completed tower, or a significant increase in indebtedness, resulting in weakening of debt protection metrics on a sustained basis. Any cost overrun or unforeseen delay in completing the under-construction tower and considerable delays in securing lease tie-ups could exert negative pressure on the rating. Specific credit metric that could lead to a rating downgrade include five-year average DSCR falling below 1.20 times on a consistent basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	**Corporate Credit Rating Methodology** **Realty - Leasing**
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Embassy Commercial Projects (Whitefield) Private Limited, incorporated in 2018, is primarily engaged in construction, development and leasing of office buildings in IT Special Economic Zone (SEZ) Zone at Embassy Tech Village in Outer Ring Road, Bengaluru. The company is sponsored by Blackstone Group (60%) and members of the Garg family (40%). It has constructed Tower 3 with a total leasable area of 1.67 msf. At present, it is undertaking the development of Tower 4 with a total leasable area of 2.53 msf. The company has granted right of first offer asset to Embassy REIT.

Key financial indicators (audited)

Embassy Commercial Projects (Whitefield) Private Limited	FY2024	FY2025	FY2026*
Operating income	63.3	101.1	123.9
PAT	-50.3	-30.0	19.6
OPBDIT/OI	69.3%	82.8%	84.5%
PAT/OI	-79.5%	-29.6%	15.8%
Total outside liabilities/Tangible net worth (times)	10.7	16.4	11.9
Total debt/OPBDIT (times)	17.8	10.0	7.6
Interest coverage (times)	0.5	1.0	1.2

*Source: Company, ICRA Research; * Provisional numbers; 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 (FY2027)	Chronology of rating history for the past 3 years							
						FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jun 04, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long-Term	1750.00	[ICRA]A-(Stable)	-	-	-	-	-	-	-	-
Interchangeable limits – Overdraft	Long-Term	(175.00)	[ICRA]A-(Stable)								

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 Mutal 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 – Interchangeable – Overdraft	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
NA	**Term loan**	March 2026	NA	FY2041	1750.00	[ICRA]A-(Stable)
NA	**Interchangeable - Overdraft**	NA	NA	NA	(175.00)	[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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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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