

March 05, 2025<sup>(Revised)</sup>

## One World Center Private Limited: Ratings upgraded and assigned for enhanced amount

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. Crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Term Loan	2500.00	2700.00	[ICRA] A- (Stable); to be upgraded from [ICRA] BBB+ (Stable)/ Assigned for enhanced amount
<b>Total</b>	<b>2500.00</b>	<b>2700.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The rating upgrade for One World Center Private Limited (OWCPL) factors in the increase in committed occupancy of the commercial office asset, One World Center, and the consequent improvement in the debt coverage metrics. The committed occupancy for the asset increased to 85% as of November 2024 from 78% as of December 2023. The company is in discussions with prospective tenants and ICRA expects occupancy to improve in near to medium term. The company's debt coverage metrics are expected to be comfortable with 5-year average DSCR of 1.35-1.40 times in FY2025-FY2029, supported by increase in rental income on account of improved leasing and back-ended repayment schedule for the LRD loans.

The rating continues to factor in the attractive location of the company's commercial project in Lower Parel, Mumbai, which is a well-developed commercial location. Additionally, OWCPL's strong sponsor profile, which holds a 100% stake in the company through its affiliates, i.e. entities owned or managed by The Blackstone Group Inc provides comfort. The strong track record of the sponsor in developing and operating commercial real estate assets in India and commands exceptional financial flexibility. The sponsor has a strong track record of developing and operating commercial real estate assets in India and commands exceptional financial flexibility. The LRD loan has an escrow mechanism and a debt service reserve account (DSRA) equivalent to three months of principal and interest obligation.

The rating is however, constrained by the company's high leverage with expected total external debt/annualised NOI of ~7.4-7.5 times as of March 2025 and ~7.0-7.1 times as of March 2026 and modest cumulative DSCR. The company's debt coverage ratios are vulnerable to increase in interest rates and vacancy levels. The company faces residual market risk for the 15% vacant area as of November 2024, while it also remains exposed to vacancy risk given the low weighted average lease expiry as compared to the weighted average debt maturity. OWCPL also faces a renewal risk with 15% of the leased area due for lock-in expiry in FY2026 and 22% for the lease expiry in FY2026, and any significant, prolonged vacancy could impact the company's cash flows and exert pressure on the company's debt coverage metrics. Nonetheless, the risk is partly mitigated by the property's favourable location and the sponsor's strong track

The Stable outlook reflects ICRA's opinion that the company will be able to further ramp up occupancy levels in the near term supported by attractive project location and maintain comfortable debt coverage metrics in the medium term.

### Key rating drivers and their description

#### Credit strengths

**Improvement in occupancy levels; comfortable medium-term DSCRs** – The committed occupancy for the asset increased to 85% as of November 2024 from 78% as of December 2023. The company is in discussions with prospective tenants and ICRA expects occupancy to improve in near to medium term. The company's debt coverage metrics are expected to be comfortable

with 5-year average DSCR of 1.35-1.40 times in FY2025-FY2029, supported by increase in rental income on account of improved leasing and back-ended repayment schedule for the LRD loans.

**Favourable location of the property** - One World Center (OWC) is in Lower Parel, Mumbai, adjacent to the 100-ft wide arterial road, Senapati Bapat Marg (Tulsi Pipeline Road). It is centrally located between Nariman and the BKC area. It is well connected through road and rail network, which is likely to help OWCPPL improve the occupancy over the medium term.

**Strong sponsor group with established track record lends financial flexibility** - The company is completely 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 and modest cumulative DSCR** - The company's leverage as measured by Total external debt/Annualized NOI remains high and is estimated to be ~7.4-7.5 times as of March 2025 and ~7.0-7.1 times as of March 2026. Despite the tenure elongation following the refinancing in January 2024, the cumulative DSCR for the debt tenure remains modest. The company's ability to further improve occupancy levels and realize contractual rental escalation in a timely manner will be important from the credit perspective.

**Exposed to market risks** - The company faces residual market risk for the 15% vacant area as of November 2024, while it also remains exposed to vacancy risk given the low weighted average lease expiry as compared to the weighted average debt maturity. OWCPPL also faces a renewal risk with 15% of the leased area due for lock-in expiry in FY2026 and 22% for the lease expiry in FY2026, and any significant, prolonged vacancy could impact the company's cash flows and exert pressure on the company's debt coverage metrics.

**Vulnerability of debt coverage ratios to changes in interest rate and occupancy levels** - The cash inflow is susceptible to volatility in occupancy or rent rates, while the cash outflow is relatively fixed in nature except for any fluctuations in interest rates.

### Liquidity position: Adequate

The company's liquidity is adequate, marked by free cash and bank balances including undrawn overdraft of around Rs. 159.1 crores as of December 2024. The company's cash flows from operations are expected to be sufficient to cover the debt obligations of Rs. 219 crores in FY2025 and Rs. 235 crores in FY2026.

### Rating sensitivities

**Positive factors** - Sustained and significant improvement in leverage and coverage metrics backed by improved operational cash flows and/or substantial reduction in debt could lead to a rating upgrade. Specific trigger for a rating upgrade includes cumulative DSCR improving to more than 1.25 times.

**Negative factors** - Significant increase in vacancy leading to weakening of coverage metrics and liquidity positions, on a sustained basis, would lead to a downgrade in the rating.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Realty – Lease Rental Discounting</a>
Parent/Group support	NA
Consolidation/Standalone	Standalone

## About the company

One World Center Private Limited (OWCPL), erstwhile BXIN Office Parks India Private Limited, incorporated in April 2020, owns and operates a commercial office building One World Center in Lower Parel, Mumbai, with a total leasable area of 17.4 lakh square feet, across four towers viz. Tower 1, 2A, 2B and the annexe.

## Key financial indicators (audited)

One World Centre Private Limited	FY2023	FY2024
Operating income	313.3	303.6
PAT	-7.2	-14.5
OPBDIT/OI	71.1%	75.1%
PAT/OI	-2.3%	-4.8%
Total outside liabilities/Tangible net worth (times)	-2.0	-1.9
Total debt/OPBDIT (times)	11.9	11.2
Interest coverage (times)	1.0	0.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation. NA: not available

## Status of non-cooperation with previous CRA: Not Applicable

## Any other information: None

## Rating history for past three years

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	FY2025		FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based – Working Capital Limits	Long Term	2700.00	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	Short 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	8.8%	FY2039	2700.00	[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 – NA

#### Corrigendum

The rating rationale document dated March 05, 2025, has been corrected with the revisions as follows:

Some details have been updated in the 'Rationale' and 'Key rating drivers and their description' section.

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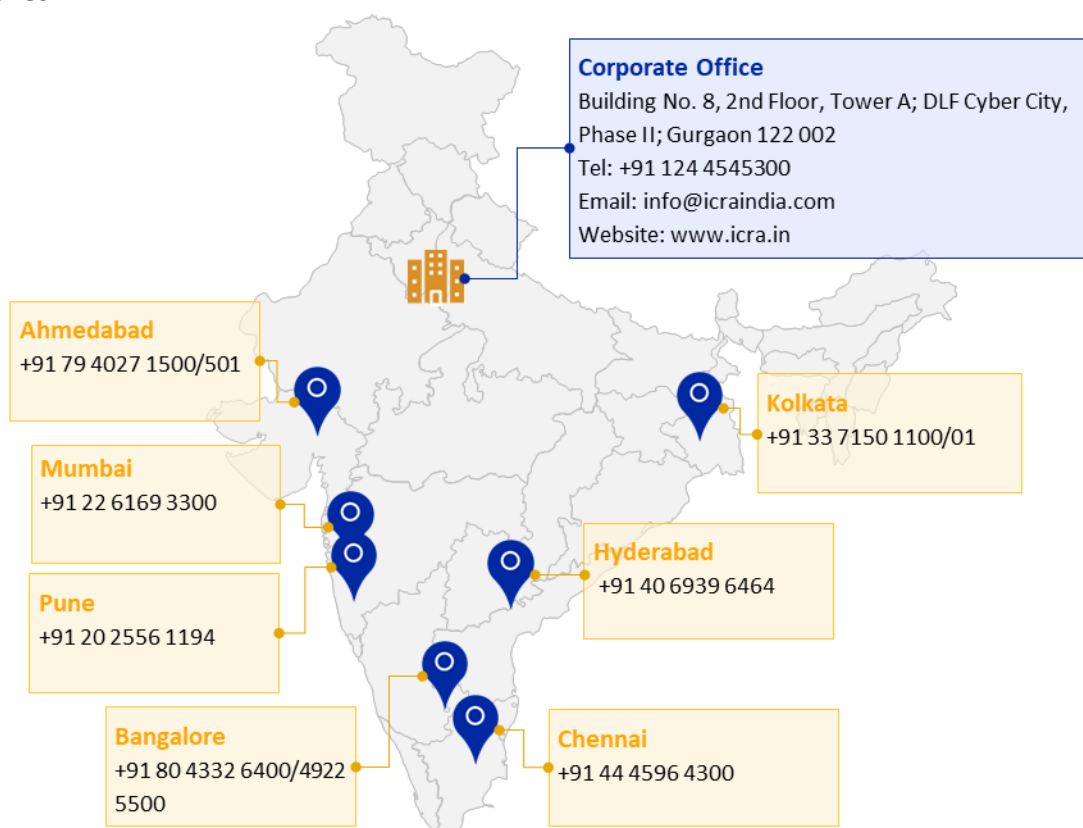
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