

March 31, 2025

Dashanya Tech Parkz Private Limited: [ICRA]BBB+ (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based - Term loans	700.00	[ICRA]BBB+ (Stable); assigned
Total	700.00	

*Instrument details are provided in Annexure I

Rationale

The assigned rating for Dashanya Tech Parkz Private Limited (DTPPL) favourably factors in the healthy occupancy levels and strong parentage of DTPPL, wherein 50% stake is held by BREP Asia II Indian Holding Company Pte. Ltd. (Blackstone Group) and 50% by the Prestige Group (through Prestige Exora Business Parks Private Limited¹). The sponsors' have a strong track record of operating and leasing commercial real estate assets in India. The rating considers the favourable location of DTPPL's commercial project, Prestige Tech Park IV (3 buildings) with a total area of 1.3 million square feet (msf), at Marathahalli, near the Outer Ring Road- Bengaluru. Building 1 of 0.41 msf was completely sold to Adobe Systems India Private Limited at a consideration of Rs. 505 crore. Building 2 (Cosmos), a commercial office space with leasable area of 0.77 msf, and Building 3 (Gravity), a mix of both commercial office and retail space of 0.12 msf, have a consolidated healthy occupancy of 97% as on February 28, 2025 with a reputed tenant profile.

The rating, however, is constrained by the moderate leverage and debt coverage metrics. Moreover, the company is exposed to moderate tenant concentration risk, with top five tenants occupying around 67% of the total leasable area. Further, the company draws revenue from a single project in Bengaluru and is thus exposed to geographical and asset concentration risk. Any sustained reduction in occupancy due to vacancy in space occupied by the tenants may adversely impact DTPPL's debt protection metrics. Nonetheless, the same is mitigated by the long-term contracts with its tenants, coupled with competitive market rent rates offered to them. The rating factors in the volatility in occupancy caused by economic downturns, which could impact the tenants' business risk profile. Further, the debt coverage metrics will be sensitive to fluctuations in interest rates, occupancy levels and timely scheduled escalation of rents.

The Stable outlook reflects ICRA's opinion that the company will maintain healthy occupancy levels, supported by a favourable location and expected improvement in the leverage and adequate liquidity position.

Key rating drivers and their description

Credit strengths

Strong sponsors with established track record – DTPPL is jointly held by the Blackstone Group (50%) and the Prestige Group (50%). The Blackstone Group 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. It has a strong track record in the commercial real estate business in India. Further, the Prestige Group has an established track record of more than 36 years in the Bengaluru real estate market with strong project execution capabilities and has completed 300 real estate projects, with a developable area of close to 193 msf as on December 31, 2024.

Strong occupancy levels with reputed tenant profile – Cosmos and Gravity buildings with a total leasable area of 0.77 msf and 0.12 msf respectively, have a consolidated healthy occupancy of 97% as on February 28, 2025, supported by the reputed tenant

¹100% subsidiary of PrestigeEstates Projects Limited

profile and the presence of long-term contracts with all the tenants. The tenant profile includes Genpact India, SanDisk India, Tredence Analytics, Symbyont Asset Management Pvt Ltd, and others.

Favourable location of project – The project, Prestige Tech IV, is located at Marathahalli, near the Outer Ring Road- Bengaluru. Further, the project is easily accessible from major residential catchments like Whitefield, Kadubeesanhalli, Brookfield and Koramangala. The area is surrounded by major IT parks and tech companies.

Credit challenges

Moderate debt protection metrics – The company has moderate leverage and debt coverage metrics in FY2025 and FY2026. The total external debt/ annualised net operating income (debt/annualised NOI) is estimated to be around 7.4-7.5 times as of March 2026. Its ability to realise the contractual rental escalation in a timely manner will be important from the credit perspective.

Exposure to geographical, asset and moderate tenant concentration risks – The company draws revenue from a single project in Bengaluru and is thus exposed to geographical and asset concentration risks. Moreover, it is exposed to moderate customer concentration risk, with top five tenants occupying around 67% of the total leasable area. Any sustained reduction in occupancy due to vacancy in space occupied by the tenants may adversely impact DTPPL’s debt protection metrics. Nonetheless, the same is mitigated by long-term contracts with its tenants, coupled with the competitive market rent rates offered to them.

Vulnerability of debt coverage indicators to changes in occupancy and interest rates – The rating factors in the volatility in occupancy caused by economic downturns, which could impact the tenants’ business risk profile. Further, the debt coverage metrics will be sensitive to fluctuations in interest rates, occupancy levels and timely scheduled escalation of rents.

Liquidity position: Adequate

DTPPL’s liquidity position is adequate. It has free cash and liquid balance of Rs. 7.3 crore as of December 2024. The company’s cash flows from operations are expected to be sufficient to cover the debt obligations (principal + interest) of around Rs. 72.1 crore in FY2026. Further, it has no major capital expenditure plans in the near to medium term.

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 5-year average DSCR improving to more than 1.20 times.

Negative factors – Pressure on the rating could emerge if there is any material decline in occupancy or significant increase in indebtedness resulting in deterioration of debt protection metrics, 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	The rating is based on the standalone financial profile of the company

About the company

Dashanya Tech Parkz Private Limited (DTPPL) incorporated on March 15, 2012, is jointly held by the Blackstone Group (50%) and the Prestige Group (50%). It has developed a commercial project, 'Prestige Tech Park IV', in Outer Ring Road (ORR) Bengaluru. Prestige Tech Park IV has three buildings, with a total built-up area of ~1.3 msf. Building 1, having around ~0.41 msf of commercial office space was developed as a built-to-suit building and was sold to Adobe Systems India Private Limited, at a sales value of Rs. 505 crore. As of February 2025, Building 2- Cosmos (of ~0.77 msf commercial space) is 100% leased and Building 3- Gravity (of ~0.12 msf retail space) is 79% leased.

Key financial indicators (audited)

	FY2023	FY2024
Operating income	261.1	11.5
PAT	51.6	-59.0
OPBDIT/OI	31.9%	-97.4%
PAT/OI	19.8%	-513.0%
Total outside liabilities/Tangible net worth (times)	5.0	6.5
Total debt/OPBDIT (times)	2.1	-30.9
Interest coverage (times)	6.4	-0.2

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

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)	Mar 31, 2025	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	700.00	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Term Loans	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 Loans	November 2024	8.9%	October 2039	700.00	[ICRA]BBB+ (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

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3358
ashish.modani@icraindia.com

Anupama Reddy
+91 40 6939 6427
anupama.reddy@icraindia.com

Pulkit K Varshney
+91 80 4332 6427
pulkit.varshney@icraindia.com

Riddham Agarwal
+91 80 4332 6405
riddham.agarwal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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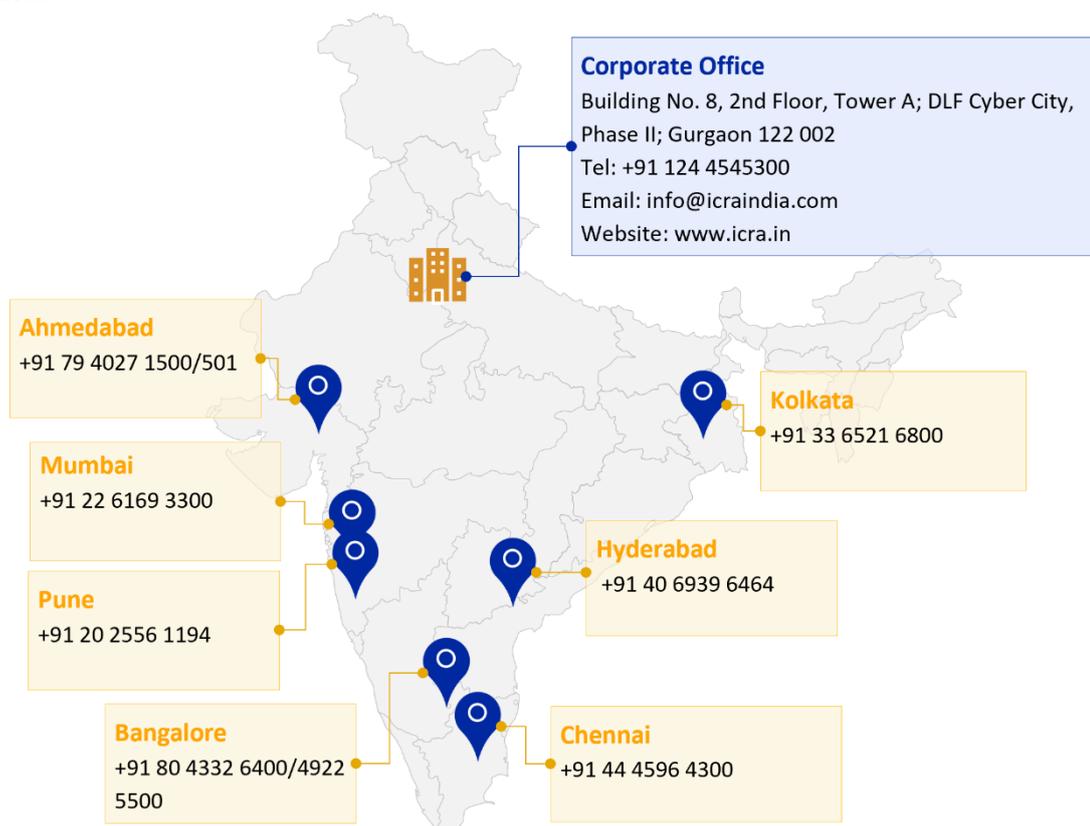
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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