ONE INTERNATIONAL CENTER

Date: 24th February, 2024

To,
The Manager - Listing Department
BSE Limited
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001

ISIN	INE065I07031
Scrip Code	973382
Scrip ID	918OICPL27

Dear Sir/Madam,

Subject: Disclosure under Regulation 51 and 55 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") – Revision of Credit rating

Pursuant to Regulation 51 and 55 of the Listing Regulations, we wish to inform you that ICRA Limited (ICRA), has upgraded the credit rating of Non – Convertible Debentures and Term Loans of the Company as mentioned below:

Instrument	Amount (Rs. Crore)	Previous Rating	Current Rating
Non - Convertible Debentures	250	[ICRA]BBB+ (Stable)	[ICRA]A- (Stable)
Long term - Fund based - Term Loans	2650	[ICRA]BBB+ (Stable)	[ICRA]A- (Stable)

The rating rationale of ICRA for revision of credit rating is attached for your reference.

Request you to take the above on record.

Thanking You,

For One International Center Private Limited

NEHA WASON Digitally signed by NEHA WASON Date: 2024.02.24 18:28:44 +05'30'

Neha Wason
Company Secretary and Compliance Officer

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January 29, 2024

One International Center Private Limited: Ratings upgraded; rated amount reduced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund based- Term loans	2900.00	2650.00	[ICRA]A-(Stable); upgraded from [ICRA]BBB+(Stable)
Non-convertible debentures (NCD)	250.00	250.00	[ICRA]A-(Stable); upgraded from [ICRA]BBB+(Stable)
Total	**3150.00**	**2900.00**	

**Instrument details are provided in Annexure-I*

Rationale

The rating upgrade factors in an increase in the committed occupancy of the commercial office asset, One International Center, managed by One International Centre Private Limited (OICPL), along with the refinancing of its lease rental discounting (LRD) debt with favourable terms, resulting in an expected improvement in the debt coverage metrics. The asset's occupancy increased to 60% as of December 2023 from 41% as of December 2022, and post refinancing, the LRD debt tenure has increased by four years. Consequently, the five-year average DSCR over the FY2025-FY2029 period is estimated to improve significantly and remain comfortable at 1.40-1.45 times. The rating continues to factor in the advantageous location of the asset situated at Lower Parel, Mumbai, which is a well-developed commercial location. The rating continues to draw comfort from OICPL'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. The strong track record of the sponsor in developing and operating commercial real estate assets in India, and commands exceptional financial flexibility. The Blackstone Group has a demonstrated track record of providing timely funding support to OICPL whenever required in the past. ICRA expects continued funding support from sponsor to support any cash flow mismatches, if required. The LRD loan has an escrow mechanism and a debt service reserve account (DSRA) equivalent to three months of principal and interest obligations.

The rating is, however, constrained by the company's high leverage and exposure to refinancing risk for the bank debt of Rs. 650 crore and for the NCDs of Rs. 250 crore, which have scheduled repayments in FY2026 and FY2027, respectively. However, OICPL's strong sponsor profile, and the expected improvement in occupancy levels over the mentioned period, mitigate the risk to an extent. The rating is constrained by the vulnerability of the debt coverage ratios to any fluctuations in interest rates and occupancy levels. It also remains exposed to vacancy risk, given the low weighted average lease expiry as compared to the weighted average debt maturity. Despite the recent increase in occupancy, the company's committed occupancy levels remain moderate at 60%, and an improvement in the same along with the realisation of rental escalations would remain critical from the credit perspective.

The Stable outlook reflects ICRA's opinion that the company will be able to ramp up occupancy over the near to medium term, maintain comfortable debt coverage indicators and the company will continue to benefit from the sponsor's commitment to support in case of any requirement.

Key rating drivers and their description

Credit strengths

Improvement in coverage metrics with the recent refinance at favourable terms and increase in occupancy – The committed occupancy of the commercial office project of OICPL at Lower Parel, Mumbai, increased to 60% as of December 2023 from 41% as of December 2022. Moreover, the company refinanced its existing LRD debt of Rs. 1,962.6 crore (o/s as on October 31, 2023), with a new LRD loan at a longer tenor. Following the refinancing, the LRD debt tenure has increased by four years.

Consequently, the company's debt coverage indicators are expected to improve over the debt tenure and the five-year average DSCR over the FY2025-FY2029 period is estimated to improve significantly and remain comfortable at 1.40-1.45 times.

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 as well as large and diverse portfolio in the retail and commercial real estate business in India, provide comfort and allow it to command exceptional financial flexibility. The Blackstone Group has a demonstrated track record of providing timely funding support to OICPL whenever required in the past. ICRA expects continued funding support from sponsor to support any cash flow mismatches, if required.

Favourable location of the property – One International Center is in Lower Parel, Mumbai, adjacent to Senapati Bapat Marg (Tulsi Pipeline Road). It is centrally located between Nariman Point and the BKC area. It is well connected through road and rail network, which is likely to help OICPL improve the occupancy over the medium term.

Credit challenges

Moderate occupancy levels – Despite the recent increase in occupancy levels, it remains moderate at 60% as of December 2023, exposing the company to market risks. The company also faces vacancy risk due to the low weighted average lease expiry as compared to the weighted average debt maturity. ICRA notes that the rent-free period for some of the new tenants remains high at 6 to 12 months, and the overall growth in rentals has remained modest. The company's ability to tie up leases balance leases at adequate rentals and realise scheduled escalations in a timely manner will remain critical from the credit perspective.

Refinancing Risk – It remains exposed to refinancing risk for the bank debt of Rs. 650 crore and for the NCDs of Rs. 250 crore. scheduled repayments for which are falling due in FY2026 and FY2027, respectively. However, OICPL's strong sponsor profile and the expected improvement in occupancy levels over this period, mitigate the risk to an extent.

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. ICRA notes that the lock-in period has expired for 8% of the total leased area of the project and expiry for 15% of the tenants is due in FY2025, which may increase the vacancy risk.

Liquidity position: Adequate

The company's liquidity profile is adequate, supported by the unencumbered cash and liquid investments including undrawn overdraft balance of Rs. 192 crore and undrawn term loans of Rs 136 crore as on December 31, 2023. and undrawn term loans of Rs 136 crore as on December 31, 2023. After refinancing, the company's cash flows from operations are expected to be adequate for meeting its debt servicing requirements. The company has scheduled repayments falling due in FY2026 and FY2027 for bank debt of Rs. 650 crore and for the NCDs of Rs. 250 crore, respectively. OICPL's strong sponsor profile, the resulting financial flexibility and the expected improvement in occupancy levels are likely to mitigate the risk to an extent.

Rating sensitivities

Positive factors – ICRA could upgrade the rating, in case of a significant increase in occupancy at adequate rental rates, and realisation of the scheduled escalations on time, leading to a sustained improvement in the leverage and coverage metrics.

Negative factors – The company's inability to improve the occupancy levels and/or increase in indebtedness impacting the company's leverage and coverage metrics could result in a rating downgrade.

Analytical approach

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

About the company

One International Centre Private Limited (erstwhile Indiabulls Real Estate Company Private Limited) was incorporated on May 10, 2005. The company is involved in the business of purchasing, selling, developing, constructing, maintaining, acquiring on lease/hire purchase, and dealing in real estate properties and other related activities. In 2006, OICPL acquired eight acres of the Elphinstone Mills Land in Mumbai, through an auction conducted by NTC. OICPL holds freehold title to the land and received approval from the Maharashtra government to establish an IT/ITes park at the project site.

Accordingly, OICPL developed an IT/ITes park – One International Center (OIC) at the Elphinstone Mills land in Lower Parel, Mumbai, with a total leasable area of approximately 1.7 million square feet, comprising Towers 1, 2 and 3. The company has now completed the construction of commercial tower viz One unity Center with approximate total leasable area of 1.0 million square feet.

Key financial indicators

OICPL Standalone	FY2022 (Audited)	FY2023 (Audited)	H1 FY2024* (Provisional)
Operating income	186.8	194.9	112.7
PAT	-329.0	-112.2	-50.3
OPBDIT/OI	58.6%	56.1%	64.2%
PAT/OI	-176.1%	-57.5%	-44.6%
Total outside liabilities/Tangible net worth (times)	46.4	-54.2	-27.8
Total debt/OPBDIT (times)	23.5	26.2	19.5
Interest coverage (times)	0.7	0.5	0.5

*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

	Instrument	Current Rating (FY2024)			Chronology of Rating History					
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Dec 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
					Jan 29, 2024	May 19, 2023	Mar 21, 2023	Jun 24, 2022	Jun 24, 2021	May 07, 2020
1	Term Loans	Long Term	2650.0	2371.0	[ICRA]A- (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)
2	Non-fund Based (Bank Guarantee)	Long Term	-	-	-	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)
3	Unallocated Limits	Long Term	-	-	-	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)
4	Non-Convertible Debentures	Long Term	-	-	-	-	-	[ICRA]BBB+ (Negative); Withdrawn	[ICRA]A- (Negative)	[ICRA]A- (Stable)
5	Non-Convertible Debentures	Long Term	250.0	250.0	[ICRA]A- (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	-
6	Non-Convertible Debentures	Long Term	-	-	-	[ICRA]BBB+ (Stable) withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund based- Term loans	Simple
Non-convertible debentures (NCD)	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 / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Term Loan**	FY2024	-	FY2039	2000.0	[ICRA]A-(Stable)
NA	**Term Loan**	FY2023	-	FY2027	300.0	[ICRA]A-(Stable)
NA	**Term Loan**	FY2023	-	FY2027	350.0	[ICRA]A-(Stable)
INE065I07031	**NCD**	Aug-2021	-	FY2027	250.0	[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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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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.

For more information, visit www.icra.in

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