

Manyata Promoters Private Limited (Revised)

August 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	2,486.50 (Reduced from 3,032.00)	CARE AAA; Stable	Reaffirmed
Non-convertible debentures	1,025.00	CARE AAA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings on long-term debt instrument and bank facilities of Manyata Promoters Private Limited (MPPL) continues to derive strength from the strong financial flexibility that MPPL enjoys as part of Embassy Office Parks REIT (Embassy REIT/ EOPR; rated 'CARE AAA; Stable; CARE A1+'). MPPL owns Embassy Manyata Business Park, a commercial office space in Bengaluru, with a completed leasable area of 12.9 million square feet (msf) and ongoing construction of 3.1 msf with development potential of another 0.4 msf. Underlying asset is the largest asset in EOPR's portfolio and one of the prime assets in Bengaluru and therefore, carries significant economic incentive to EOPR. The company also operates a 619-keys hotel under the brand name Hilton and Hilton Garden Inn in Bengaluru. MPPL's leverage is relatively higher than other special purpose vehicles (SPVs) of EOPR. As such, the company's ongoing and upcoming projects are exposed to execution and leasing risks. Rated debts are also exposed to refinancing risk at end of the tenure.

Per CARE Ratings Limited's (CareEdge Ratings) estimates, the company's loan-to-value (LTV) and debt to profit before interest, lease rentals, depreciation, and taxation (PBILDT) are likely to remain strong even after full development of the asset. MPPL enjoys strong managerial, operational and financial linkages, being 100% owned by EOPR. Per Securities and Exchange Board of India (SEBI) regulations on Real Estate Investment Trust (REIT), 90% of the net distributable cash flows (NDCF) of special purpose vehicles (SPVs) need to be mandatorily distributed to the REIT. Cash flow within the REIT ecosystem is highly fungible.

Embassy REIT continues to maintain strong debt protection metrics over the years, characterised by low LTV, comfortable debt to PBILDT, and cash coverage ratio (CCR) levels. These are likely to sustain, considering improved leasing progress and reasonable mark-to-market (MTM) opportunity, when vacant spaces are backfilled. Restrictions under SEBI regulations, which limit the share of under-construction assets to less than 20% and net debt/gross asset value (GAV) to less than 49%, enhances credit protection.

CareEdge Ratings notes Embassy REIT's disclosure to the stock exchanges dated July 31, 2025, regarding the resignation of Ritwik Bhattacharjee from his position as Interim CEO and the appointment of Amit Shetty as CEO of Embassy Office Parks Management Services Private Limited (EOPMSPL; Manager to Embassy REIT). Amit Shetty previously served as Chief Operating Officer at EOPMSPL.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

Not applicable.

Negative factors

- Deterioration in EOPR's credit profile resulting net debt/GAV exceeding 35% or a consolidated net debt/PBILDT² exceeding 5.5x on a sustained basis.
- Significant rise in vacancy levels of MPPL on a sustained basis.

Analytical approach: Standalone

Standalone, factoring linkages with parent EOPR, due to strong financial, operational, and managerial linkages.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

²For the calculation of debt/PBILDT, PBILDT is calculated as defined in NCD documents, per which, PBILDT also include 50% of PBILDT of Golfinks Software Park Private Limited plus fitout rentals and rental support income

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings expectation of MPPL to continue maintaining strong debt protection metrics, aided by stable occupancy levels.

Detailed description of key rating drivers:**Key strengths****High economic incentive of MPPL to Embassy REIT**

MPPL's underlying asset, Embassy Manyata Business Park, is one of the most prominent commercial office spaces in Bengaluru. As on March 31, 2025, MPPL contributes around one-third to EOPR's GAV and total rental income. MPPL's occupancy level improved to 91% in FY25 from 87% in FY24, due to delivery of pre-leased area, which resulted in increase in the company's income for the year. MPPL's revenue stood at ₹1,543 crore and PBILDT at ₹1,240 crore for FY25, increase ~6% from FY24. By virtue of new leases signed by MPPL, occupancy is likely to stay healthy, moreover, leases signed are at significantly higher rates than expired leases. Due to strong asset positioning, EOPR leveraged this asset relatively higher than other SPVs, but overall leverage at EOPR level is likely to remain within the threshold level.

Fairly diversified asset portfolio of Embassy REIT

EOPR's asset portfolio consists of commercial office space across five cities, hospitality, and a captive solar plant of 100-MW capacity. As on June 30, 2025, EOPR had 51.2 msf commercial space area, of which 40.4 msf is completed and 88% is occupied, 6.1 msf is under-construction space, while 4.8 msf is proposed development. The commercial space is diversified in Bengaluru, Mumbai, Pune, National Capital Region (NCR), and Chennai. EOPR also has completed hotels with an inventory of 1,096 keys, under-construction hotels of 518 keys in Bengaluru, and a 100-MW solar park in Bellary, Karnataka. The commercial office space portfolio contributes ~88% of EOPR's total revenue. Diversification in asset class and geographies mitigates micro-market and industry-specific issues to a certain extent.

Overall stable revenue from commercial and hospitality assets of Embassy REIT

Occupancy levels of commercial office spaces remained healthy at 88% as on June 30, 2025. Consolidated revenue for Q1FY26 stood at ₹1,060 crore (₹934 crore for Q1FY25), an increase of ~13% year-over-year (y-o-y), and PBILDT at ₹842 crore (₹752 crore for Q1FY25), up ~12%, y-o-y. This increase was supported by rental escalations in renewed leases and improved performance in hospitality segment. Currently, over 50% vacant space is in SEZ area, which has been inherently witnessing delayed leasing. EOPR is de-notifying some of its SEZ spaces, which is likely to enhance marketability. Latest direction by GOI on denotification of SEZ properties is further expected to benefit EOPR in leasing ramp up. Most leases expired or expiring were old leases, generating lower than prevailing market rates, providing reasonable MTM opportunity to EOPR. EOPR's assets are occupied by tenants with strong credit profiles, and almost half gross leasable area is leased out to Fortune 500 companies. The satisfactory weighted average lease expiry (WALE) of 8.3 years provides revenue stability for the longer term.

Strong debt protection metrics of Embassy REIT

Gross debt increased to ₹21,847 crore as on June 30, 2025, from ₹19,807 crore as on March 31, 2025. EOPR's net debt stood at ₹20,184 crore as on June 30, 2025. However, despite increase in debt, debt protection metrics remains comfortable, marked by net debt to GAV of 33% and net debt to EBITDA of 5.36x as on June 30, 2025. Per CareEdge Ratings' estimates, net debt/GAV and net debt/EBIDTA are expected to largely remain below 35% and 5.5x in the near-to-medium term.

Key weaknesses**Execution risk associated with projects undertaken by MPPL and Embassy REIT**

MPPL has ongoing capex of 3.1 msf leasable area at Embassy Manyata Business Park (EMBP) on which balance cost of ~₹894 crore is to be incurred as on June 30, 2025. This ongoing capex is to be completed phase wise between September 2025 to June 2027.

EOPR plans to incur a capex on a consolidated basis in the near-to-medium term (~₹3,400 crore is pending cost to complete as on June 30, 2025), which is likely to be get funded through debt. While execution risk will persist to complete the project on time, comfort is drawn from EOPR's successful track record in executing such projects. Timely leasing at envisaged rates will be a key monitorable.

High refinancing risk of Embassy REIT

Debt raised by EOPR and its subsidiaries are largely non-amortising in nature with bullet payment at the end of 3-10 years for NCDs, exposing it to high refinancing risk. However, risks are mitigated to an extent, considering the staggered repayment structure, availability of large pool of capital through upstream of funds from SPVs to REIT and high financial flexibility arising from low LTV, which provides ample headroom to raise additional debt or equity. EOPR also has flexibility to exercise the call option, which provides opportunity to prepay debt 4-6 months prior to final maturity. CareEdge Ratings also considers EOPR's demonstrated track record in refinancing several debts in the past at REIT and SPV levels. CP has a maturity of 6-12 months, which further increases the risk of refinancing. Overall, refinancing requirements are generally met by a mix of NCD and other bank facilities. EOPR plans to raise ₹9,000 crore debt for refinancing existing debt, capex and working capital requirement of EOPR and its SPVs. In Q1FY26, EOPR raised debt of ~₹4,225 crore, proceeds of which were used to refinance debt of ~₹3,400 crore and balance for capex. In July 2025, EOPR issued NCD Series XV of ₹2,000 crore with a tenure of 10 years and plans to issue further NCDs of ₹1,500 crore with a similar tenure. Proceeds have been or will be used for refinancing existing debt, capex and working capital requirement of EOPR and its SPVs. Timely refinancing of debts remains monitorable from a credit perspective.

Liquidity: Strong

MPPL's liquidity is strong, supported by strong rental collection efficiency and minimal debt repayments in the near term. MPPL derives strength from being part of EOPR. EOPR's liquidity is superior owing to strong debt coverage indicators, aided by minimal interim principal payments. While bullet repayment exposes it to high refinancing risk, EOPR's low debt/GAV allows ample headroom to raise additional debt, including raising lease rental discounting (LRD) loans in SPVs from banks for refinancing NCDs. Majority NCD instruments have multiple call options before final maturity, enabling them to refinance NCDs earlier than the due date. Regulations allowing participation from pension funds, insurance companies, and now foreign portfolio investments (FPIs), have provided access to larger investor base. Restrictions imposed under REIT regulations in terms of undertaking under-construction projects limit the cash outflow towards the capex. At a consolidated level, EOPR had cash and cash equivalents of ₹1,664 crore as on June 30, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Debt backed by lease rentals](#)

[Real Estate Investment Trusts \(REITs\)](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

MPPL (CIN - U70102KA2000PTC027477) is a wholly owned subsidiary of EOPR (Reg. no. IN/REIT/17-18/0001; market cap ~₹36,800 crore as on August 20, 2025) and operates a commercial property named Embassy Manyata Business Park in Bengaluru. The project's total area is 16.2 msf, of which 12.8 msf is completed, 3.1 msf is under-construction and has potential of another 0.4 msf. The company commenced operations of a 619-key hotel in the tech park in March 2022. MPPL also holds 80% in Embassy Energy Private Limited, which owns a 100-MW operational solar power plant in Ballari, Karnataka, and 50% in Golfinks Software Park Private Limited, which owns commercial office space, 'Embassy Golf Links', with a leasable area of 3.10 msf in Bengaluru.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	1,312.81	1,368.42
PBILDT	956.02	995.56
PAT	227.21	353.62
Overall gearing (times) [#]	NM	117.60
Interest coverage (times) [@]	1.71	1.82

A: Audited; NM: Not Meaningful; Note: these are latest available financial results

[#]Debt includes shareholders' debt as well.

[@]Interest expense include interest paid on shareholders' debt as well.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non Convertible Debentures	INE152K07017	06-Jul-2023	7.90	October 2026	1025.00	CARE AAA; Stable
Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	-	-	-	September 2039	2361.50	CARE AAA; Stable
Fund-based - LT-Term Loan	-	-	-	July 2027	125.00	CARE AAA; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	125.00	CARE AAA; Stable	1)CARE AAA; Stable (08-Jul-25)	1)CARE AAA; Stable (29-Nov-24)	1)CARE AAA; Stable (25-Jul-23)	1)CARE AAA; Stable (21-Jul-22)

							2)CARE AAA; Stable (04-Oct-24) 3)CARE AAA; Stable (02-Jul-24)	2)CARE AAA; Stable (06-Jul-23)	
2	Non-fund-based - LT-BG/LC	LT	-	-	-	-	-	-	1)Withdrawn (21-Jul-22)
3	Debentures-Non Convertible Debentures	LT	1025.00	CARE AAA; Stable	1)CARE AAA; Stable (08-Jul-25)	1)CARE AAA; Stable (29-Nov-24) 2)CARE AAA; Stable (04-Oct-24) 3)CARE AAA; Stable (02-Jul-24)	2)CARE AAA; Stable (04-Oct-24) 2)CARE AAA; Stable (06-Jul-23)	1)CARE AAA; Stable (25-Jul-23) 2)CARE AAA; Stable (06-Jul-23)	-
4	Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	LT	2361.50	CARE AAA; Stable	1)CARE AAA; Stable (08-Jul-25)	1)CARE AAA; Stable (29-Nov-24) 2)CARE AAA; Stable (04-Oct-24) 3)CARE AAA; Stable (02-Jul-24)	2)CARE AAA; Stable (04-Oct-24)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Complex
2	Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	Simple
3	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Rajashree Murkute Senior Director CARE Ratings Limited Phone: +91-22-68374474 E-mail: rajashree.murkute@careedge.in</p> <p>Divyesh Bharat Shah Director CARE Ratings Limited Phone: +91-20-4000 9069 E-mail: divyesh.shah@careedge.in</p> <p>Amita Yadav Associate Director CARE Ratings Limited Phone: +91-20-4000 9004 E-mail: amita.yadav@careedge.in</p>
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