

August 20, 2024^(Revised)

Nexus Select Trust: Update on material event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer rating	-	-	[ICRA]AAA (Stable); outstanding
Non-convertible debentures	1000.00	1000.00	[ICRA]AAA (Stable); outstanding
Total	1000.00	1000.00	

*Instrument details are provided in Annexure-I

Rationale

Material event

The sponsor group, i.e., Blackstone has sold 20.83% of its stake in the Nexus Select Trust (The Trust/REIT) through a block deal on August 09, 2024 thus reducing its stake to 22.3% from 43.1%.

Impact of material event

The stake sale by the Blackstone Group is expected to be a credit neutral for Nexus Select Trust from the strategic, business and operations standpoint and, therefore, the rating remains unchanged at [ICRA]AAA (Stable).

Despite the stake sale, Blackstone remains a sponsor of the REIT and Nexus Select Mall Management Private Limited, which is a Blackstone-owned entity continues to remain the REIT manager. The board composition of the REIT also remains unchanged. Further, as per REIT regulations, the sponsor, i.e., the Blackstone Group will hold at least 15% of the units till the end of lock-in period in May 2026. ICRA does not expect any change in the business strategy and operations of the REIT, as the REIT manager and the sponsor continue to remain the same.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Real Estate Investment Trusts (REITs)
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials statements of Nexus Select Trust and its subsidiaries (List of subsidiaries as mentioned in Annexure II)

About the Trust

Nexus Select REIT (The Trust/REIT) was incorporated on August 10, 2022 as a trust. The REIT was listed on the stock exchange on May 19, 2023. The REIT owns 17 urban consumption centres, three office spaces, two hotels and one renewable energy plant across the country. The REIT is sponsored by Wynford Investments Limited, an affiliate of Blackstone Inc (Blackstone).

Key financial indicators

	FY2024	Q1FY2025
Operating income	1,916.9	553.9
PAT	592.3	137.1
OPBDIT/OI	67.1%	67.5%
PAT/OI	30.9%	24.7%
Total outside liabilities/Tangible net worth (times)	0.3	0.3
Total debt/OPBDIT (times)	2.9	2.9
Interest coverage (times)	3.8	4.1

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)	Aug 20, 2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Issuer rating	-	-	[ICRA]AAA (Stable)	May 10, 2024	[ICRA]AAA (Stable)	June 01, 2023	[ICRA]AAA (Stable)	Sept 29, 2022	Provisional [ICRA]AAA (Stable)	-	-
Non-convertible debentures	Long term	1000.0	[ICRA]AAA (Stable)	May 10, 2024	[ICRA]AAA (Stable)	June 01, 2023	[ICRA]AAA (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Issuer rating	Not Applicable
Non-convertible debentures	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	Issuer rating	-	-	-	-	[ICRA]AAA (Stable)
INE0NDH07019	Non-convertible debentures	June 16, 2023	7.86%	June 16, 2026	700.0	[ICRA]AAA (Stable)
INE0NDH07027	Non-convertible debentures	June 16, 2023	8.00%	June 16, 2028	300.0	[ICRA]AAA (Stable)

Source: Nexus Select Trust

Annexure II: List of entities considered for consolidated analysis

Company/SPV Name	Ownership	Consolidation Approach
Nexus Hyderabad Retail Private Limited	100%	Full Consolidation
Nexus Mangalore Retail Private Limited	100%	Full Consolidation
Nexus Shantiniketan Retail Private Limited	100%	Full Consolidation
Mamadapur Solar Private Limited ¹	100%	Full Consolidation
Nexus Mysore Retail Private Limited	100%	Full Consolidation
Nexusmalls Whitefield Private Limited	100%	Full Consolidation
Vijaya Productions Private Limited	100%	Full Consolidation
Euthoria Developers Private Limited	99.45%	Full Consolidation
CSJ Infrastructure Private Limited	100%	Full Consolidation
Indore Treasure Island Private Limited	50%	Equity Method
Naman Mall Management Company Private Limited	100%	Full Consolidation
Chitralli Properties Private Limited	100%	Full Consolidation
Safari Retreats Private Limited	100%	Full Consolidation
Select Infrastructure Private Limited ²	100%	Full Consolidation
Daksha Infrastructure Private Limited	100%	Full Consolidation
Nexus Udaipur Retail Private Limited	100%	Full Consolidation

Source: Nexus Select Trust

Corrigendum

Document dated August 20, 2024 has been revised as detailed below:

The maturity date of NCDs have been corrected.

¹ Includes wholly-owned subsidiary Nexus South Mall Management Private Limited

² Includes wholly-owned subsidiary Westerly Retail Private Limited

ANALYST CONTACTS

Rajeshwar Burla
+91 40 6939 6443
rajeshwar.burla@icraindia.com

Tushar Bharambe
+91 22 6169 3347
tushar.bharambe@icraindia.com

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

Abhilash Sirsikar
+91 22 6169 3379
abhilash.sirsikar@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

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

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.