December 18, 2025

Vikhroli Business City Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Term loans	2700.00	2700.00	[ICRA]A- (Stable); reaffirmed
Total	**2700.00**	**2700.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating reaffirmation factors in Vikhroli Business City Private Limited's (VBCPL) adequate project progress for its under-construction commercial office project in Vikhroli, Mumbai along with the strong promoter profile, wherein 50% stake is held each by entities owned by Mapletree Investments Pte Ltd. (Mapletree)[1] and Ivanhoe Cambridge Inc.[2] In India, Mapletree has a portfolio of over 10 million square feet (MSF) of operational and under-construction assets across four cities, with healthy occupancy levels for its operational assets. The rating derives comfort from the favourable location of the project in Vikhroli, which is located at the intersection of two major arterial roads in Mumbai, i.e., Lal Bahadur Shastri (LBS) Marg and Jogeshwari Vikhroli Link Road (JVLR), which is likely to translate into adequate pre-leasing by the scheduled completion of the project. Post commencement of operations, the leverage and debt coverage metrics for the project are estimated to be adequate. The presence of strong promoters lends exceptional financial flexibility to the company. As a part of the sanction terms for the construction finance (CF) debt, the sponsors have provided an unconditional undertaking to fund any cost overruns.

The rating is, however, constrained by VBCPL's exposure to moderate execution risk, nevertheless, the risk is mitigated by the strong execution track record of the Mapletree Group and a reputed construction contractor. The project is to be funded by a debt-to-equity ratio of 64:36, wherein 82% of the total committed equity has been infused as of September 2025, and the entire debt is already tied up. There has been no pre-leasing achieved to date, which exposes the company to market risk. Any delays in project completion or inadequate leasing may adversely impact its refinancing ability. However, these risks are mitigated by the sponsors' leasing track record and exceptional financial flexibility. Further, there is a cushion of around a year between the due date of the construction loan and the target completion date. Moreover, the refinancing risk is mitigated to an extent by the sponsor's leasing track record, along with a moderate breakeven occupancy.

The Stable outlook reflects ICRA's expectation that VBCPL will be able to achieve adequate leasing supported by the favourable project location and the operational track record of the Mapletree Group.

[1] *Owned by Temasek Group, which is held by the Government of Singapore; Mapletree is a global real estate development and investment company with a strong execution track record with assets under management (AUM) of S$80.3 billion as on March 31, 2025.*
[2] *Ivanhoé Cambridge is a real estate subsidiary of Caisse de dépôt et placement du Québec (CDPQ), a global investment group, which develops and invests in real estate projects across the world, with net assets of $42 billion as of December 2024.*

Key rating drivers and their description

Credit strengths

Strong promoter with established track record lends exceptional financial flexibility – VBCPL is a special purpose vehicle, wherein 50% stake is held by entities owned by Mapletree Investments Pte Ltd. (Mapletree) and Ivanhoe Cambridge Inc. Mapletree is a global real estate development and investment company, with a strong execution track record, and assets under management (AUM) of S$80.3 billion as on March 31, 2025. In India, Mapletree has a portfolio of over 10 MSF of operational and under-construction assets in four cities (Bangalore, Chennai, Mumbai and Pune) with healthy occupancy levels for its operational assets. Ivanhoé Cambridge is a real estate subsidiary of CDPQ, a global investment group, which develops and invests in real estate projects across the world, with net assets of $42 billion as of December 2024. The presence of strong promoters lends exceptional financial flexibility to the company. Further, as a part of the sanction terms for the CF debt, the sponsors have provided an unconditional undertaking to fund any cost overruns. Post commencement of operations, the leverage and debt coverage metrics for the project are estimated to be adequate.

Favourable location of project – The project is located at the intersection of two major arterial roads of Mumbai, i.e., LBS Marg and JVLR. It also has good connectivity and is situated at a distance of 1 km and 2 km from Kanjurmarg and Vikhroli stations, respectively. The location would be connected by the upcoming Mumbai Metro Lines 4 and 6, which are expected to become operational close to the project completion date. The favourable location is likely to translate into adequate pre-leasing by the scheduled completion of the project.

Credit challenges

Exposure to project execution risk – VBCPL is exposed to execution risk as the project is in the intermediate stage, nevertheless, the risk is mitigated by the strong execution track record of the Mapletree Group and a reputed construction contractor. The project is to be funded by a debt-to-equity ratio of 64:36, wherein 82% of the total committed equity has been infused as of September 2025, and the company has tied up the entire required debt.

High market risk and refinancing risk – The project has no pre-leasing as of this date, which exposes the company to market risk. The CF loan has a bullet repayment structure. Any delays or inadequate leasing may adversely impact its refinancing ability. However, these risks are mitigated by the sponsors' leasing track record and exceptional financial flexibility. Further, there is a cushion of around a year between the due date of the construction loan and the target completion date. Moreover, the refinancing risk is mitigated to an extent by the sponsor's leasing track record, along with a moderate breakeven occupancy.

Liquidity position: Adequate

The total project cost is around Rs. 4,240 crores, which is being funded by a debt-to-equity mix of 64:36. Additionally, 82% of the total equity has been infused as of September 2025. The company has tied up the entire debt requirement for the project, and the bullet repayment for the same will fall due in August 2027. As of September 2025, the total pending project cost was Rs. 1,216 crores, which will be funded by the balance equity of Rs. 270 crores and the rest through undrawn CF loan, available cash balances/advances given to the contractor.

Rating sensitivities

Positive factors – VBCPL's rating might be upgraded if there is a significant leasing at adequate rental rates, resulting in strong debt protection metrics. A specific credit metric that could lead to a rating upgrade is lease tie-ups of greater than 85% and Debt/NOI of below 6 times on a sustained basis.

Negative factors – Downward pressure on the rating could emerge if a significant delay in construction progress or inability to achieve adequate leasing impacts the company's ability to timely refinance the CF loan.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Vikhroli Business City Private Limited (VBCPL) was incorporated in October 2019 and is developing a commercial office project in Vikhroli, Mumbai. The company is held equally by entities owned by Mapletree Investments Pte Ltd. (Mapletree) and Ivanhoe Cambridge Inc. The project will have two towers of 2 Basements + 2 Podiums + 2 Amenity Levels + 25 Office floors each, with a total leasable area of over 3.7 MSF. The total project cost is around Rs. 4,240 crores, which will be funded in a debt-to-equity ratio of 64:36. The project has a scheduled date of commencement of commercial operations (DCCO) of August 2027.

Key financial indicators: Not Applicable for a project company

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	Dec 18, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	2,700.00	[ICRA]A-(Stable)	Dec 06, 2024	[ICRA]A-(Stable)	Oct 27, 2023	[ICRA]A-(Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long - term – 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 loans**	January 2024	-	August 2027	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: Not Applicable

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