January 23, 2026

# Leela BKC Holdings Private Limited: Rating assigned

## Summary of rating action

| Instrument* | Current rated amount (Rs. crore) | Rating action |
|---|---|---|
| Long-term – Fund-based – Term loans | 900.00 | [ICRA]A- (Stable); assigned |
| **Total** | **900.00** | |

**Instrument details are provided in Annexure I*

## Rationale

The rating assigned to Leela BKC Holdings Private Limited (Leela BKC) factors in the project's highly advantageous location, boosting its marketability and competitive positioning, and strong sponsor profile, with 50% ownership held by Brookfield Asset Management (BAM) via Arliga Ecospace Business Parks Pvt Ltd. The remaining 50% stake is held by Leela Palaces Hotels & Resorts Limited (LPHRL, formerly known as Schloss Bangalore Limited). Leela BKC is formed to develop the proposed commercial Grade-A office project with a total leasable area 0.68 million square feet (msf). Additionally, there will be a 250-key luxury hotel under the brand Leela, in Bandra Kurla Complex (BKC) Mumbai at a total project cost of Rs. 4,400 crore, which is to be funded by the debt-to-equity ratio of 64:36. The project is expected to be operational in FY2031. The rating benefits from the favourable location of the project in BKC, a major financial and business hub hosting major domestic and multinational corporations. The overall office vacancy levels in the BKC micromarket are very low at less than 5% (total leasable area of 13-14 msf). The presence of only a couple of 5-star hotels significantly enhances the marketability of the project. Further, the Brookfield Group has an established execution and leasing track record in office leasing. In India, Brookfield manages over 52 msf of office space with healthy occupancy levels for the operational assets, along with Leela, a leading luxury hospitality brand operating 14 hotels with over 4,090 keys across major cities in India and one hotel in Dubai. Also, the strong sponsor profile lends strong financial flexibility to the company.

The rating is, however, constrained by the project's exposure to high execution risk, given it is currently at the land acquisition stage. The land for the proposed project is expected to be acquired by Q1 FY2027 as per the Mumbai Metropolitan Region Development Authority's (MMRDA) award letter. Further, the approvals for the project are likely to be received post land acquisition. Also, the company is exposed to market risk for the office project and ramp-up risk for the hotel once it starts operations. Nonetheless, the advantageous location of the project, strong execution and leasing track record of the Brookfield Group and the reputed brand name of Leela mitigate these risks to an extent. The company is also vulnerable to funding and refinancing risk. At present, the debt required for land funding is tied-up, while the construction finance (CF) loan is expected to be tied-up post-acquisition of land. The debt during construction is likely to have a bullet repayment exposing the company to refinancing risk. However, the reputed sponsor profile and strong financial flexibility provide comfort. While, the hotel operations remain susceptible to the cyclicality in the hotel industry, Leela's prestigious brand image and limited supply of luxury hospitality options in BKC are anticipated to support the average room revenue (ARR) and occupancy.

The Stable outlook reflects ICRA's expectations that the company will benefit from the favourable location of the project, which enhances its marketability, along with the strong track record of the sponsor, leading to adequate leasing of the commercial wing and healthy occupancy and ARR for the hotel operations.

## Key rating drivers and their description

### Credit strengths

**Favourable location of asset enhances marketability of the project** – BKC is Mumbai's most prominent commercial hub and hosts headquarters of major multinational and domestic companies. It enjoys excellent connectivity through major arterial roads and the newly launched metro line. This micromarket is marked by high office occupancies (>95%) and strong tenant demand for Grade-A office space. On the hospitality side, BKC has less than 1,000 existing luxury hotel keys. It has seen no new luxury supply in over a decade due to limited land availability. The micromarket also has limited upcoming new luxury hotel supply, which is expected to support occupancy and ARR post start of operations.

**Reputed sponsor profile with established track record lends strong financial flexibility** – The project is backed by the Brookfield Group, a global asset manager with around $1 trillion in assets under management. Leela BKC has a reputed sponsor profile with 50% ownership held by Brookfield Asset Management (BAM) via Arliga Ecospace Business Parks Pvt Ltd. The the remaining 50% is held by Leela Palaces Hotels & Resorts Limited (LPHRL). The Brookfield Group has an established execution and leasing track record in office leasing. In India, Brookfield manages over 52 msf of office space with healthy occupancy levels for the operational assets, along with Leela, a leading luxury hospitality brand operating 14 hotels with over 4,090 keys across major cities in India and one hotel in Dubai. Also, the reputed sponsor profile lends strong financial flexibility to the company.

### Credit challenges

**Exposure to high execution and market risks** – The company is exposed to high execution risk, given it is currently at the land acquisition stage. The land for the proposed project is expected to be acquired by Q1 FY2027 as per the Mumbai Metropolitan Region Development Authority's (MMRDA) award letter. Further, the approvals for the project are anticipated to be received post land acquisition. Also, the company is susceptible to market risk for the office project and ramp-up risk for the hotel once it starts operations. Nonetheless, the advantageous location of the project, strong execution and leasing track record of the Brookfield Group and reputed brand name of Leela mitigate these risks to an extent. The company faces moderate funding and refinancing risk since, at present, the debt required for land funding is tied-up, the CF loan is expected to be tied-up post-acquisition of land. The debt during construction is likely to have a bullet repayment exposing the company to refinancing risk. However, the reputed sponsor profile and strong financial flexibility provide comfort.

**Vulnerability of revenues to inherent industry cyclicality, economic cycles and competition** – Akin to other players in the industry, the hotel revenues will remain exposed to industry cyclicality and seasonality, macro-economic downturns, and exogenous factors (geo-political tensions, disease outbreaks, etc). Nonetheless, Leela's established brand presence in the luxury segment and operational expertise are expected to support ARR's and occupancy at healthy levels.

## Liquidity position: Adequate

The total project cost is Rs. 4,400 crore, which is likely to be funded by a debt-to-equity mix of 64:36. The land funding of around ~Rs. 1,300 crore is funded by a debt of Rs. 900 crore and the balance by equity. The company will tie-up the CF loan of around Rs. 1,900 crore once the land acquisition is in place.

## Rating sensitivities

**Positive factors** – Significant leasing of office area and commercialisation of the hotel mitigating the refinancing risk could lead to an upgrade in the rating.

**Negative factors** – Downward pressure on the rating could emerge if there is a material delay in construction progress, or inability to ramp-up leasing at adequate rental rates or hotel operations impacting the company's ability to timely refinance the loans.

## Analytical approach

| Analytical approach | Comments |
|---|---|
| **Applicable rating methodologies** | [Corporate Credit Rating Methodology](#)<br>[Realty - Lease Rental Discounting (LRD)](#)<br>[Hotels](#) |
| **Parent/Group support** | Not applicable |
| **Consolidation/Standalone** | Standalone |

## About the company

Leela BKC Holdings Private Limited was incorporated on January 6, 2023 and is owned by Leela Palaces Hotels & Resorts Limited (50%) and Arliga Ecospace Business Parks Pvt Ltd (50%; a part of Brookfield Asset Management). The special purpose vehicle (SPV) is formed for the proposed development of a 0.68 msf leasable area of commercial office and a 250-key luxury hotel to be operated under Leela brand, in Bandra Kurla Complex (BKC), Mumbai. The same is expected to have a total project cost of Rs. 4,400 crore, which will be funded by a debt-to-equity ratio of 64:36. The project is likely to become operational in FY2031.

### Key financial indicators

Not meaningful as the company is currently in the project stage.

### Status of non-cooperation with previous CRA: Not Applicable

### Any other information: None

## Rating history for past three years

| | Current (FY2026) | | | Chronology of rating history for the past 3 years | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | FY2026 | | FY2025 | | FY2024 | | FY2023 | |
| Instrument | Type | Amount rated (Rs. crore) | Jan 23, 2026 | Date | Rating | Date | Rating | Date | Rating | Date | Rating |
| **Fund-based - Term loans** | Long Term | 900.00 | [ICRA]A- (Stable) | - | - | - | - | - | - | - | - |

## Complexity level of the rated instruments

| Instrument | Complexity indicator |
|---|---|
| **Long-term fund based – 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** | FY2026 | - | FY2032 | 900.00 | [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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## 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.

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## ICRA Limited

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