March 18, 2026

Mindspace Business Parks REIT: Rating assigned for proposed NCD and reaffirmed for existing limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer rating	-	-	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture (NCD)	2,890.00	2,890.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture	500.00	500.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture	150.00	150.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture	500.00	500.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture	600.00	600.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture	550.00	550.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture	1460.00	1460.00	[ICRA]AAA (Stable); reaffirmed
Non-convertible debenture	1000.00	1000.00	[ICRA]AAA (Stable); reaffirmed
Proposed non-convertible debenture	190.00	190.00	[ICRA]AAA (Stable); reaffirmed
Proposed non-convertible debenture	-	1200.00	[ICRA]AAA (Stable); assigned
Commercial paper (CP) programme^	2,500.00	2,500.00	[ICRA]A1+; reaffirmed
Total	**10,340.00**	**11,540.00**	

**Instrument details are provided in Annexure-I; ^Of the total of 2,500 crore CPs, Rs. 540 crore of CPs are listed and remaining are proposed to be listed*

Rationale

The rating action for Mindspace Business Parks REIT (Mindspace REIT) favourably factors in its strong business profile with well diversified and large portfolio of assets, along with expected sustenance of healthy committed occupancy in the medium term and comfortable leverage levels. The committed occupancy for the completed area stood at 92.8% as of December 2025 (89.6% as of December 2024). The ratings note its large and diversified portfolio of assets with office space, including completed area of 31.2 million square feet (msf), and under-construction area/future planned development of 7.1 msf as of December 2025. Mindspace REIT's portfolio is spread across major cities such as Mumbai, Hyderabad, Pune and Chennai, with a reputed and diversified tenant mix comprising leading multi-national and Indian corporates. The top 10 tenants generated 35.0% of the gross contracted rentals as of December 2025.

The ratings draw comfort from the low external borrowings at the consolidated level with total debt at Rs. 11,613.5 crore and comfortable leverage – total external debt/annualised NOI at 4.3 times as of December 2025. The portfolio has loan to asset value (LTV)[1] of 24.9% as of December 2025, which provides exceptional financial flexibility to Mindspace REIT to fund its future organic as well as inorganic growth. Based on its capital expenditure/inorganic growth plans, ICRA expects the total external

[1] *For the purpose of LTV calculation, Net Debt is post accounting and minority adjustments with market value as on September 30, 2025, based on the valuation report.*

debt/annualised NOI to remain at less than 5 times and LTV to remain below 33% on a sustained basis. The proposed NCDs of Rs. 1,200 crore are expected to be deployed towards acquisition, growth capex or refinancing of existing debt.

Part of Mindspace REIT's debt, at the consolidated level, is in the form of CPs and NCDs with bullet repayments at the end of their maturity period, exposing the REIT to refinancing risk. This risk is mitigated to an extent by the tranche repayment of the issuances, strong liquidity position with free cash and cash equivalents of Rs. 597.1 crore, fixed deposits (FD) more than 3 months of Rs. 544.5 crore and unutilised overdraft facilities of Rs. 782.5 crore as of December 2025, which are expected to be available to meet any exigencies. Tenant leases contributing to 2.2%, 5.5% and 7.2% of the gross contracted rentals will be due for expiry in Q4 FY2026, FY2027 and FY2028 respectively. However, the risk is partially mitigated by the reputed tenants with strong businesses, established track record of the K Raheja Corp Group in the commercial real estate industry.

The ratings consider the impact of the future acquisitions that may be undertaken by Mindspace REIT on its leverage metrics. ICRA will monitor the future asset acquisitions and their consequent impact on the leverage. Comfort, however, is drawn from the proven track record and the experienced management of the REIT sponsor, K Raheja Corp Group (KRC), as well as the REIT manager K Raheja Corp Investment Managers Private Limited (formerly known as K Raheja Corp Investment Managers LLP (KRCIML)) and the financial flexibility of Mindspace REIT.

ICRA expects that Mindspace REIT's credit profile will be supported by REIT regulations that restrict the extent of under-construction assets in the portfolio to less than 20% of the asset value and the cap on leverage at 49% of the asset value.

The Stable outlook reflects ICRA's opinion that the Trust will benefit from its large, diversified and stable operational portfolio, the anticipated growth from assets currently under development and the expected comfortable financial risk profile.

Key rating drivers and their description

Credit strengths

Well-diversified and large portfolio of assets with strong tenant profile – The asset portfolio under the REIT includes some of the major business parks of Mumbai, Hyderabad, Pune and Chennai, with a reputed and diversified tenant mix comprising leading multi-nationals and Indian corporates, wherein the top 10 tenants generate 35.0% of the gross contracted rentals as of December 2025. The asset portfolio of the REIT includes completed office space area of 31.2 msf, and under-construction area/future planned development of 7.1 msf as of December 2025. The completed area reported a committed occupancy of 92.8% as of December 2025 (89.6% as of December 2024), supported by long-term lease agreements and a good track record of tenant stickiness owing to competitive rentals in most of the assets.

Comfortable leverage – The ratings draw comfort from the low external borrowings at the consolidated level with total debt at Rs. 11,613.5 crore and comfortable leverage – total external debt/annualised NOI at 4.3 times as of December 2025. The portfolio has gross LTV of 28.3% and net LTV of 24.9% as of December 2025, which provides exceptional financial flexibility to Mindspace REIT to fund its future organic as well as inorganic growth. Based on its capital expenditure/inorganic growth plans, ICRA expects the total external debt/annualised NOI to remain at less than 5 times and LTV to remain below 33% in the medium term on a sustained basis. The current low leverage provides financial flexibility to fund the future construction and acquisition.

Established track record of sponsor and REIT manager – The REIT manager and sponsor are a part of KRC, which has considerable experience in developing and managing commercial real estate projects. KRC is one of India's leading groups in the real estate development and retail business, with experience of over four decades in developing and operating assets across commercial, hospitality, retail and residential segments.

Credit challenges

Exposure to refinancing risk – Part of Mindspace REIT's debt, at the consolidated level, is in the form of CPs and NCDs with bullet repayments at the end of their maturity period, exposing the REIT to refinancing risk. This risk is mitigated to an extent by the tranche repayment of the issuances, strong liquidity position with free cash and cash equivalents of Rs. 597.1 crore, FD of Rs. 544.5 crore covering more than three months and unutilised overdraft facilities of Rs. 782.5 crore as of December 2025, which are expected to be available to meet any exigencies.

Vulnerability of commercial real estate sector to cyclicality – The company remains exposed to the inherent cyclicality in the real estate industry and vulnerability to external factors. ICRA notes that tenant leases contributing to 2.2%, 5.5% and 7.2% of the gross contracted rentals will be due for expiry in Q4 FY2026, FY2027 and FY2028 respectively. However, the risk is partially mitigated by reputed tenants with strong businesses and established track record of the K Raheja Corp Group in the commercial real estate industry.

Environmental and social risks

Environmental considerations – The real estate segment is exposed to risks of increasing environmental norms affecting operating costs, including higher costs of raw materials such as building materials and cost of compliance with pollution control regulations. Environmental clearances are required for commencement of projects and lack of timely approvals can impact its business operations. The effect of changing environmental regulations on licenses for property development could also create credit risks.

Social considerations – The downside social risks faced by REITs like Mindspace could be said to be low. The demand for commercial office space, particularly those with good ancillary infrastructure and connectivity has been growing in India as the service economy expands. While there could be societal trends like preference for work-from-home, which could weigh on demand, on balance, the tailwinds for commercial real estate remain reasonably strong. Further, rapid urbanisation and a large working age population will support the demand for commercial real estate in India and benefit REITs like Mindspace.

Liquidity position: Strong

The liquidity position of the REIT is supported by stable rental income from the underlying assets and low operational expenditure in the leasing business. Healthy fund flow from operations will be adequate to cover the debt servicing obligations. Additionally, the REIT had cash and cash equivalents of Rs. 597.1 crore, FD worth Rs. 544.5 crore covering more than three months and unutilised overdraft facilities of Rs. 782.5 crore as on December 31, 2025, which supports the liquidity profile.

Rating sensitivities

Positive factors – Not Applicable

Negative factors – Higher-than-anticipated borrowing that increases the LTV higher than 40%, on a sustained basis, or decline in the committed occupancy to lower than 80%, on a sustained basis, may trigger a rating downgrade. Any non-adherence to the debt structure may also lead to a rating downgrade.

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 ratings, ICRA has consolidated the financials of Mindspace REIT and its subsidiaries

About the company

Mindspace REIT is a Real Estate Investment Trust listed in India under the SEBI Real Estate Investment Trust Regulations, 2014. It is incorporated as a registered trust and listed through a public issue of units. The sponsor of Mindspace REIT is the K Raheja Corp Group, which has contributed shares in twelve SPVs to the REIT in lieu of units in the latter. Mindspace REIT primarily holds interests in rental yielding of commercial real estate assets (Grade-A office portfolio). The REIT houses a facility management division in one of the SPVs. The asset portfolio of the REIT has a total leasable area of 38.3 msf, including a completed area of 31.2 msf, and under-construction area/space for future planned development of 7.1 msf as of December 2025.

Key financial indicators (audited)

Consolidated	FY2024	FY2025	9M FY2026*
Operating income	2429.2	2596.1	2326.4
PAT	561.2	513.7	485.5
OPBDIT/OI	72.1%	72.8%	75.3%
PAT/OI	23.1%	19.8%	20.9%
Total outside liabilities/Tangible net worth (times)	0.6	0.8	Not available
Total debt/OPBDIT (times)	4.0	5.4	Not available
Interest coverage (times)	3.8	3.4	2.8

*Source: Company, ICRA Research; * Results; 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:

The company also faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial covenants, operating covenants and rating linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the rating would face pressure.

Rating history for past three years

	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years															
		Type	Amount Rated (Rs. crore)	Date & Rating in FY2026					Date & Rating in FY2025					Date & Rating in FY2024			Date & Rating in FY2023		
				Mar 18, 2026	Oct 27, 2025	July 30, 2025	June 09, 2025	Apr 17, 2025	Feb 10, 2025	Dec 17, 2024	Nov 08, 2024	June 19, 2024	Apr 30, 2024	Feb 28, 2024	Aug 30, 2023	May 23, 2023	Feb 20, 2023	Jan 6, 2023	Jun 16, 2022
1	Issuer rating	Long-term	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA] AAA (Stable)	[ICRA]AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)
2	Non-convertible debenture	Long-term	2,890.0	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA] AAA (Stable)	[ICRA]AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)
3	Non-convertible debenture	Long term	-	-	-	-	-	-	[ICRA] AAA (Stable); Withdrawn	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)						
4	Non-convertible debenture	Long-term	500.0	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	-	-	-	-	-
5	Non-convertible debenture	Long-term	150.0	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	-	-	-	-	-	-	-
6	Non-convertible debenture	Long-term	500.0	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	-	-	-	-	-	-	-	-	-
7	Non-convertible debenture	Long-term	600.0	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	-	-	-	-	-	-	-	-
8	Non-convertible debenture	Long-term	550.0	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	-	-	-	-	-	-	-	-	-	-	-
9	Non-convertible debenture	Long-term	1,460.0	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Non-convertible debenture	Long-term	1,000.0	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Proposed non-convertible debenture	Long-term	190.0	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	[ICRA] AAA (Stable)	-	-	-	-	-	-	-	-	-	-	-	-	-

12	**Proposed non-convertible debenture**	Long-term	1,200.0	[ICRA] AAA (Stable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	**Commercial paper**	Short-term	2,500.0	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Issuer rating	Not Applicable
Non-convertible debenture	Simple
Commercial paper	Simple
Proposed non-convertible debenture	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
INE0CCU07066	**Non-convertible debenture**	Jul 27, 2022	7.95%	Jul 27, 2027	500.00	[ICRA]AAA (Stable)
INE0CCU07074	**Non-convertible debenture**	Mar 14, 2023	8.02%	Apr 13, 2026	550.00	[ICRA]AAA (Stable)
INE0CCU07082	**Non-convertible debenture**	Jun 01, 2023	7.75%	Jun 30, 2026	500.00	[ICRA]AAA (Stable)
INE0CCU07090	**Non-convertible debenture**	Sept 08, 2023	8.03%	Dec 10, 2026	500.00	[ICRA]AAA (Stable)
INE0CCU07108	**Non-convertible debenture**	Mar 21, 2024	7.93%	Mar 20, 2027	340.00	[ICRA]AAA (Stable)
INE0CCU07116	**Non-convertible debenture**	May 13, 2024	7.96%	May 11, 2029	500.00	[ICRA]AAA (Stable)
INE0CCU07124	**Non-convertible debenture**	Jun 25, 2024	7.94%	Jun 24, 2031	650.00	[ICRA]AAA (Stable)
INE0CCU07132	**Non-convertible debenture**	Nov 26, 2024	7.54%	Feb 18, 2028	500.00	[ICRA]AAA (Stable)
INE0CCU07140	**Non-convertible debenture**	May 13, 2025	7.20%	May 10, 2030	600.00	[ICRA]AAA (Stable)
INE0CCU07157	**Non-convertible debenture**	Aug 20, 2025	7.41%	Aug 19, 2033	550.00	[ICRA]AAA (Stable)
INE0CCU07173	**Non-convertible debenture**	Nov 17, 2025	7.1485%	Nov 15, 2030	700.00	[ICRA]AAA (Stable)
INE0CCU07181	**Non-convertible debenture**	Dec 08, 2025	6.9601%	Dec 08, 2028	1,200.00	[ICRA]AAA (Stable)
INE0CCU07199	**Non-convertible debenture**	Mar 05, 2026	7.1652%	Mar 05, 2029	560.00	[ICRA]AAA (Stable)
-	**Issuer rating**	-	-	-	-	[ICRA]AAA (Stable)
-	**Proposed non-convertible debenture***	-	-	-	190.00	[ICRA]AAA (Stable)
-	**Proposed non-convertible debenture***	-	-	-	1,200.00	[ICRA]AAA (Stable)
INE0CCU14096	**Commercial paper**	Jul 21, 2025	6.60%	May 15, 2026	540.00	[ICRA]A1+
-	**Commercial paper^**	-	-	-	1,960.00	[ICRA]A1+

*Source: Company; *Proposed to be listed; ^ Yet to be placed*

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Intime Properties Limited	89%	Full Consolidation
Sundew Properties Limited	89%	Full Consolidation
K. Raheja IT Park (Hyderabad) Limited	89%	Full Consolidation
Mindspace Business Parks Private Limited	100%	Full Consolidation
Gigaplex Estates Private Limited	100%	Full Consolidation
Avacado Properties & Trading (India) Private Limited	100%	Full Consolidation
KRC Infrastructure and Projects Private Limited	100%	Full Consolidation
Horizonview Properties Private Limited	100%	Full Consolidation
Sustain Properties Private Limited	100%	Full Consolidation
Sundew Real Estate Private Limited	100%	Full Consolidation
Pramaan Properties Private Limited	100%	Full Consolidation
Mack Soft Tech Pvt Ltd	100%	Full Consolidation

Source: Company; ICRA Research

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