

June 22, 2026

## Mindspace Business Parks Private Limited: Ratings reaffirmed; rated amount enhanced

### Summary of rating action

| Instrument*   | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action   |
|---|-----------------------------------|----------------------------------|---|
| Long-term – Fund-based – Term Loan                  | 727.50                            | 1190.00                          | [ICRA]AAA (Stable); reaffirmed/assigned for enhanced amount |
| Short-term – Fund-based limits – Others             | 225.00                            | 330.00                           | [ICRA]A1+; reaffirmed/assigned for enhanced amount          |
| Short-term – Non-fund based limits – Others (LC/BG) | 0.0                               | 150.00                           | [ICRA]A1+; assigned   |
| Long term – Unallocated                             | 378.25                            | 0.75                             | [ICRA]AAA (Stable); reaffirmed                              |
| <b>Total</b>  | <b>1,330.75</b>                   | <b>1670.75</b>                   |   |

\*Instrument details are provided in Annexure II

### Rationale

The rating action for Mindspace Business Parks Private Limited (MBPPL) factors in the strength of the promoter, as MBPPL is a part of Mindspace Business Park REIT (Mindspace REIT, rated [ICRA]AAA (Stable)/[ICRA]A1+) and holds strategic importance for the REIT. MBPPL contributed 21% of Mindspace REIT's consolidated net operating income (NOI) and 19% of the REIT's market value as on March 31, 2026. ICRA notes that certain assets of MBPPL have been encumbered for secured borrowings at Mindspace REIT, leading to higher linkages between the entities.

The ratings favourably consider its comfortable leverage and debt coverage metrics. The committed occupancy of the completed operational area improved to 88% as of March 2026 from 84% as of February 2025. The leverage [Total Debt<sup>1</sup>/Annualised NOI] is estimated to remain comfortable at less than 5 times in the medium term, supported by sustained rental inflows from healthy occupancy levels. Consequently, the company's debt coverage metrics as reflected by the five-year average debt service coverage ratio (DSCR) are expected to remain comfortable at above 2.0 times during FY2027-FY2031. The ratings factor in MBPPL's favourable location of assets, reputed tenant profile and diversified commercial office portfolio in the key micromarkets of two cities – Mumbai and Pune, with a total completed area of 7.6 msf and under-construction/future development area of 2.4 msf as on March 31, 2026.

The company remains exposed to the inherent cyclical nature in the real estate industry and vulnerability to adverse macroeconomic and external factors, which could impact the tenant's business risk profiles. ICRA notes that the tenant leases contributing to 15% and 8% of gross rentals will be due for expiry in FY2027 and FY2028 respectively. Nonetheless, strong tenant profile and significant investments made by the tenants towards fitouts mitigate the lease expiry risk to some extent. The debt coverage indicators remain susceptible to any material reduction in occupancy levels. However, the risk is partly mitigated by the reputed tenants, established track of promoter group in the commercial real estate industry.

The ratings factor in the under-construction/future development potential of around 2.4 msf of additional area, which will be primarily debt funded over the next 2-5 years. While these capex plans are at a nascent stage, given the comfortable leverage levels for the company, the debt protection metrics are expected to remain healthy.

<sup>1</sup> Including external debt of MBPPL and guaranteed debt backed by security of MBPPL which is raised at REIT level

The Stable outlook on the rating reflects ICRA's expectations that the company will benefit from a geographically diversified asset base with strong tenant profile, healthy occupancy levels and will maintain comfortable debt protection metrics.

## Key rating drivers and their description

### Credit strengths

**Strength derived from parentage and status as a strategically important SPV of Mindspace REIT** – MBPPL's entire stake is held by Mindspace Business Parks REIT. The asset portfolio under the REIT includes some major business parks in Mumbai, Hyderabad, Pune and Chennai, with a reputed and diversified tenant mix, comprising leading multi-nationals and Indian corporates. The REIT's portfolio includes completed office space of 32.0 msf, along with under-construction and future development potential of 7.3 msf as on March 31, 2026. MBPPL is a strategically important special purpose vehicle (SPV) for Mindspace REIT, contributing to 21% of Mindspace REIT's consolidated NOI and 19% of the REIT's market value as on March 31, 2026.

**Comfortable debt protection metrics** – The company's leverage (Total Debt/Annualised NOI) is estimated to be comfortable at less than 5 times in the medium term, supported sustained rental inflows owing to healthy occupancy levels. Consequently, the company's debt coverage metrics as reflected by the five-year average DSCR are expected to remain comfortable at above 2.0 times during FY2027-FY2031.

**Geographically diversified portfolio with strong tenant profile** – The company benefits from favourable location of assets, reputed tenant profile and diversified commercial office portfolio in the key micro-markets of two cities – Mumbai and Pune, with a total completed area of 7.6 msf and under-construction/future development area of 2.4 msf as on March 31, 2026. The largest asset owned by MBPPL is located at Airoli East, Mumbai, with a total completed area of 5.0 msf. The other assets include Commerzone Yerwada, Pune with a total completed area of 1.8 msf and The Square Nagar Road, Pune with a total completed area of 0.8 msf. The committed occupancy of the completed operational area improved to 88% as of March 2026 from 84% as of February 2025. The company also has a completed asset – Mindspace Pocharam, Hyderabad of 0.6 msf, which is currently vacant and is expected to be sold in the near to medium term.

### Credit challenges

**Vulnerability of commercial real estate sector to cyclical** – The company remains exposed to the inherent cyclical in the real estate industry and vulnerability to adverse macroeconomic and external factors, which could impact the tenant's business risk profiles. The tenant leases contributing to 15% and 8% of gross rentals will be due for expiry in FY2027 and FY2028 respectively. Nonetheless strong tenant profile, and significant investments made by the tenants towards fitouts mitigate the lease expiry risk to some extent. The debt coverage indicators remain susceptible to any material reduction in occupancy levels. However, the risk is partly mitigated by the reputed tenants, established track of promoter group in the commercial real estate industry.

### Liquidity position: Strong

The company's liquidity position is strong and will be supported by stable rental income from the underlying assets. The company total debt obligations in FY2027 and FY2028 can be met comfortably through its estimated cash flow from operations. Additionally, it has free cash and bank balances of Rs. 392.3 crore as on March 31, 2026. It is expected to incur capex of around Rs. 500-600 crore during FY2027-FY2028 towards upgradation, expansion of area, which will be primarily funded by debt.

## Rating sensitivities

**Positive factors** – Not Applicable.

**Negative factors** – ICRA could downgrade MBPPL’s ratings if a significant increase in borrowings or a material decline in the NOI leads to an increase in the total debt/Annualised NOI to above 6.0 times on a sustained basis. Further, any deterioration in the credit profile of the Mindspace REIT might have a bearing on MBPPL’s ratings.

## Analytical approach

| Analytical approach             | Comments  |
|---------------------------------|---|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Realty - Leasing</a>   |
| Parent/Group support            | Parent Company: Mindspace Business Parks REIT<br>ICRA expects that MBPPL’s parent – Mindspace REIT will be willing to extend timely financial and operational support, if required, given the strategic importance of MBPPL to the Mindspace REIT, and the significant contribution of the SPV to the overall NOI and valuation of the REIT |
| Consolidation/Standalone        | Standalone  |

## About the company

Incorporated in December 2003, Mindspace Business Parks Private Limited (MBPPL) was promoted by CL Raheja Group. The company was acquired by Mindspace Business Parks REIT in August 2020 and is now a 100% subsidiary of the REIT. As of March 2026, MBPPL has three commercial projects under operations with total leasable area of 10 msf, of which 7.6 msf is completed with a committed occupancy of 88%. It also has one commercial project of 0.6 msf, which is currently vacant and held for sale.

## Key financial indicators (audited)

| MBPPL (Standalone)                                   | FY2025 | FY2026 |
|--|--------|--------|
| Operating income                                     | 728.2  | 739.9  |
| PAT  | 194.6  | 198.7  |
| OPBDIT/OI  | 68.6%  | 67.8%  |
| PAT/OI   | 26.7%  | 26.9%  |
| Total outside liabilities/Tangible net worth (times) | 6.3    | 6.6    |
| Total debt/OPBDIT (times)                            | 3.0    | 3.2    |
| Interest coverage (times)                            | 4.1    | 3.9    |

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

| Current (FY2027)                       |            |                          | Chronology of rating history for the past 3 years |              |                    |              |                    |              |                                  |
|--|------------|--------------------------|---|--------------|--------------------|--------------|--------------------|--------------|----------------------------------|
| Instrument                             | Type       | Amount rated (Rs. crore) | FY2026  |              | FY2025             |              | FY2024             |              |                                  |
|  |            |                          | Date  | Rating       | Date               | Rating       | Date               | Rating       |                                  |
| Fund-based – Term loan                 | Long Term  | 1190.00                  | [ICRA]AAA (Stable)                                | Apr 22, 2025 | [ICRA]AAA (Stable) | Jun 28, 2024 | [ICRA]AAA (Stable) | Apr 12, 2023 | [ICRA]AAA (Stable)               |
|  |            |                          |   |              |                    |              | -                  | -            | Jul 26, 2023                     |
| Unallocated                            | Long Term  | 0.75                     | [ICRA]AAA (Stable)                                | Apr 22, 2025 | [ICRA]AAA (Stable) | Jun 28, 2024 | [ICRA]AAA (Stable) | -            | -                                |
| Fund-based – Others                    | Short Term | 330.00                   | [ICRA]A1+   | Apr 22, 2025 | [ICRA]A1+          | Jun 28, 2024 | [ICRA]A1+          | -            | -                                |
| Non-fund based limits – Others (LC/BG) | Short Term | 150.00                   | [ICRA]A1+   | -            | -                  | -            | -                  | -            | -                                |
| Non-fund based                         | Short Term | -                        | -   | -            | -                  | -            | -                  | Apr 12, 2023 | [ICRA]A1+                        |
|  |            |                          |   |              |                    |              |                    | Jul 26, 2023 | [ICRA]A1+                        |
| NCD                                    | Long Term  | -                        | -   | -            | -                  | -            | -                  | Apr 12, 2023 | [ICRA]AAA (Stable)               |
|  |            |                          |   |              |                    |              |                    | Jul 26, 2023 | [ICRA]AAA (Stable);<br>Withdrawn |

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

| Sr. No. | Instrument   | FSR  |
|---------|--|--|
| 1       | Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)                     | SEBI   |
| 2       | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)                 | MCA  |
| 3       | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)                     | SEBI   |
| 4       | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)                 | SEBI   |
| 5       | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)                   | RBI  |
| 6       | Listed Commercial Paper and NCDs with original maturity less than 1 year                             | RBI  |
| 7       | Unlisted Commercial Paper and NCDs with original maturity less than 1 year                           | RBI  |
| 8       | Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)                               | RBI  |
| 9       | External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings | RBI  |
| 10      | Certificates of Deposit  | RBI  |
| 11      | Fixed Deposits raised by NBFCs, Banks, HFCs, FIs   | RBI  |
| 12      | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs                               | MCA  |
| 13      | Inter Corporate Deposits/Loans extended by Corporates  | MCA  |
| 14      | Listed Security Receipts   | SEBI   |
| 15      | Unlisted Security Receipts   | RBI  |
| 16      | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)               | Investor-side Regulator such as IRDAI, PFRDA (%) |

- (\*) Includes securitisation transactions involving assignee payout, acquirer's payout.  
 (\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.  
 (%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

| Sr. No. | Activity Name  | FSR  |
|---------|--|------|
| 1       | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)  | SEBI |
| 2       | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs  | SEBI |
| 3       | Independent Credit Evaluation (ICE)  | RBI  |
| 4       | Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)   | RBI  |
| 5       | Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))                             | SEBI |
| 6       | Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))                          | MCA  |
| 7       | Credit Rating of Borrowing programme   | (@)  |
| 8       | Issuer Ratings   | (#)  |
| 9       | Monitoring Agency  | SEBI |
| 10      | Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs) | NA   |

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

## Complexity level of the rated instruments

| Instrument  | Complexity indicator |
|---|----------------------|
| Long-term – Fund-based – Term loan                  | Simple               |
| Short-term – Fund-based limits – Others             | Simple               |
| Short-term – Non-fund based limits – Others (LC/BG) | Simple               |
| Long-term – Unallocated                             | Not Applicable       |

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 II: Instrument detail**

| ISIN | Instrument name                               | Date of issuance | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|---|------------------|-------------|----------|--------------------------|----------------------------|
| NA   | <b>Term loans 1</b>                           | FY2023           | NA          | FY2036   | 300.00                   | [ICRA]AAA (Stable)         |
| NA   | <b>Term loans 2</b>                           | FY2026           | NA          | FY2038   | 515.00                   | [ICRA]AAA (Stable)         |
| NA   | <b>Term loans 3</b>                           | FY2025           | NA          | FY2037   | 375.00                   | [ICRA]AAA (Stable)         |
| NA   | <b>Fund-based limits</b>                      | NA               | NA          | NA       | 330.00                   | [ICRA]A1+                  |
| NA   | <b>Non-fund based limits – Others (LC/BG)</b> | NA               | NA          | NA       | 150.00                   | [ICRA]A1+                  |
| NA   | <b>Unallocated limits</b>                     | NA               | NA          | NA       | 0.75                     | [ICRA]AAA (Stable)         |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure III: 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.

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