

May 31, 2022

To,

The National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor,

Plot No. C/1, G- Block,

Bandra Kurla Complex,

Bandra (E), Mumbai- 400051.

BSE Limited

25th Floor, Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai- 400001

Scrip Symbol "MINDSPACE" (Units)

Scrip Code "543217" (Units) and

Scrip Code "960104", "960327", '973069',

"973070" and "973754" (Debentures)

Subject: Disclosure under Regulation 23(5) of the SEBI (Real Estate Investment Trusts) Regulations, 2014, in respect of credit ratings obtained by Mindspace Business Parks REIT ("Mindspace REIT")

Dear Sir/Madam,

Further to our letter dated January 19, 2022, please note that CRISIL Ratings Limited has assigned the credit rating 'CRISIL AAA/Stable' assigned to the non-convertible debentures of Mindspace REIT of upto Rs. 50 Crores.

Also, CRISIL Ratings Limited has reaffirmed following credit ratings assigned to Mindspace REIT:

| S. N. | Purpose | Rating |
|-------|--|---------------------------|
| 1 | Corporate Credit Rating | CCR AAA/Stable |
| 2 | Non-Convertible Debentures of Mindspace REIT upto Rs. 450 Crores | CRISIL AAA/Stable |
| 3 | Non-Convertible Debentures of Mindspace REIT upto Rs. 100 Crores | CRISIL AAA/Stable |
| 4 | Non-Convertible Debentures of Mindspace REIT upto Rs. 175 Crores | CRISIL AAA/Stable |
| 5 | Non-Convertible Debentures of Mindspace REIT upto Rs. 200 Crores | CRISIL AAA/Stable |
| 6 | Non-Convertible Debentures of Mindspace REIT upto Rs. 300 Crores | CRISIL AAA/Stable |
| 7 | Long term Principal Protected Market Linked Debentures of Mindspace REIT upto Rs. 500 Crores | CRISIL PPMLD AAA r/Stable |
| 8 | Long term Principal Protected Market Linked Debentures of Mindspace REIT upto Rs. 375 Crores | CRISIL PPMLD AAA r/Stable |
| 9 | Commercial Papers of Mindspace REIT upto Rs. 250 Crores | CRISIL A1+ |

K Raheja Corp Investment Managers LLP

LLP Identification Number (LLPIN): AAM-1179

Regd. Office: Raheja Tower, plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

Phone: +91 – 22- 2656 4000 | mindspacereit.com



The rating letter and rating rationale issued by CRISIL Ratings Limited in respect of the aforesaid credit ratings are enclosed herewith.

Please take the same on your record.

Thanking you,
For and on behalf of **K Raheja Corp Investment Managers LLP**
(acting as the Manager to Mindspace Business Parks REIT)

Authorised Signatory

Name: Narendra Rahalkar

Designation: Compliance Officer

Encl.: As above

RL/MIBPKR/294472/CCR/0522/34998/88822956

May 30, 2022

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: Review of CRISIL Corporate Credit Rating for Mindspace Business Parks REIT (Mindspace REIT)

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

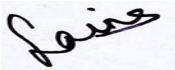
CRISIL Ratings has, after due consideration, Reaffirmed its CCR AAA/Stable (pronounced as CCR triple A rating with Stable outlook) rating to Mindspace Business Parks REIT (Mindspace REIT). This rating indicates Highest degree of strength with regard to honoring debt obligations.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating through its publications and other media, and keep the rating under surveillance. CRISIL Ratings reserves the right to withdraw, or revise the rating at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingsdesk@crisil.com or at 1800-267-1301.

CRISIL Ratings Limited

(A subsidiary of CRISIL Limited)

Corporate Identity Number: U67100MH2019PLC326247

CRISIL Rating Scale for Corporate Credit Ratings:

| | |
|----------------|---|
| CCR AAA | The rating indicates <i>highest</i> degree of strength with regard to honoring debt obligations |
| CCR AA | The rating indicates <i>high</i> degree of strength with regard to honoring debt obligations |
| CCR A | The rating indicates <i>adequate</i> degree of strength with regard to honoring debt obligations |
| CCR BBB | The rating indicates <i>moderate</i> degree of strength with regard to honoring debt obligations |
| CCR BB | The rating indicates <i>inadequate</i> degree of strength with regard to honoring debt obligations |
| CCR B | The rating indicates <i>high risk</i> and greater susceptibility with regard to honoring debt obligations |
| CCR C | The rating indicates <i>substantial risk</i> with regard to honoring debt obligations |
| CCR D | The rating indicates that the entity is in <i>default</i> of some or all of its debt obligations. |
| CCR SD | The rating indicates that the entity has selectively defaulted on a specific issue or class of debt obligations but will continue to meet its payment obligations on other issues or classes of debt obligations. |

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CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326247

RL/MIBPKR/294472/CP/0522/34996
May 30, 2022

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: Review of CRISIL Rating on the Rs. 250 Crore Commercial Paper of Mindspace Business Parks REIT (Mindspace REIT)

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL A1+ (pronounced as CRISIL A one plus rating) rating to the captioned Debt Programme. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

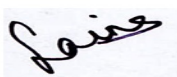
For the purpose of issuance of captioned commercial paper programme, this letter is valid for 30 calendar days from the date of the letter. In the event of your company not placing the above programme within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid (unless revised) throughout the life of the captioned Commercial Paper Programme with a maximum maturity of one year.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating through its publications and other media, and keep the rating under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL Ratings believes, may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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CRISIL Ratings Limited

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RL/MIBPKR/294472/LTPPMLD/0522/34971/91729214

May 30, 2022

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: Review of CRISIL Rating on the Rs.375 Crore Long Term Principal Protected Market Linked Debentures of Mindspace Business Parks REIT (Mindspace REIT)

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL PPMLD AAA r /Stable (pronounced as CRISIL PPMLD triple A r rating with Stable outlook) rating on the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. A suffix of 'r' indicates investments carrying non-credit risk. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in payments, including possible material loss of principal, because of adverse movement in value of the external variables. The risk of such adverse movement in price/value is not addressed by the rating.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

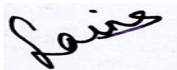
As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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May 30, 2022

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: Review of CRISIL Rating on the Rs.500 Crore Long Term Principal Protected Market Linked Debentures of Mindspace Business Parks REIT (Mindspace REIT)

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL PPMLD AAA r /Stable (pronounced as CRISIL PPMLD triple A r rating with Stable outlook) rating on the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. A suffix of 'r' indicates investments carrying non-credit risk. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in payments, including possible material loss of principal, because of adverse movement in value of the external variables. The risk of such adverse movement in price/value is not addressed by the rating.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

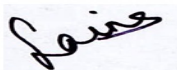
As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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CRISIL Ratings Limited

(A subsidiary of CRISIL Limited)

Corporate Identity Number: U67100MH2019PLC326247

RL/MIBPKR/294472/NCD/0522/34967/110668865

May 30, 2022

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: CRISIL Rating on the Rs. 50 Crore Non Convertible Debentures of Mindspace Business Parks REIT (Mindspace REIT)

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

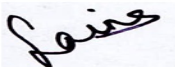
As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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CRISIL Ratings Limited

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Corporate Identity Number: U67100MH2019PLC326247

**Details of the Rs.50 Crore Non Convertible Debentures of
Mindspace Business Parks REIT (Mindspace REIT)**

| | <i>1st tranche</i> | | <i>2nd tranche</i> | | <i>3rd tranche</i> | |
|--------------------------------------|--------------------|--------|--------------------|--------|--------------------|--------|
| <i>Instrument Series:</i> | | | | | | |
| <i>Amount Placed:</i> | | | | | | |
| <i>Maturity Period:</i> | | | | | | |
| <i>Put or Call Options (if any):</i> | | | | | | |
| <i>Coupon Rate:</i> | | | | | | |
| <i>Interest Payment Dates:</i> | | | | | | |
| <i>Principal Repayment Details:</i> | Date | Amount | Date | Amount | Date | Amount |
| | | | | | | |
| <i>Investors:</i> | | | | | | |
| <i>Trustees:</i> | | | | | | |

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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May 30, 2022

Ms. Preeti Chheda

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: Review of CRISIL Rating on the Rs. 100 Crore Non Convertible Debentures of Mindspace Business Parks REIT (Mindspace REIT)

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

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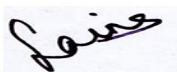
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Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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CRISIL Ratings Limited

(A subsidiary of CRISIL Limited)

Corporate Identity Number: U67100MH2019PLC326247

RL/MIBPKR/294472/NCD/0522/35000/95541964

May 30, 2022

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: Review of CRISIL Rating on the Rs. 175 Crore Non Convertible Debentures of Mindspace Business Parks REIT (Mindspace REIT)

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

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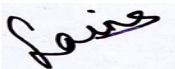
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Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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CRISIL Ratings Limited

(A subsidiary of CRISIL Limited)

Corporate Identity Number: U67100MH2019PLC326247

RL/MIBPKR/294472/NCD/0522/34995/89661367.2

May 30, 2022

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: Review of CRISIL Rating on the Rs. 200 Crore Non Convertible Debentures of Mindspace Business Parks REIT (Mindspace REIT)

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

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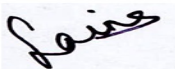
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With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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RL/MIBPKR/294472/NCD/0522/34997/89661367.1

May 30, 2022

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: Review of CRISIL Rating on the Rs. 300 Crore Non Convertible Debentures of Mindspace Business Parks REIT (Mindspace REIT)

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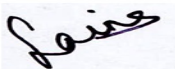
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Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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RL/MIBPKR/294472/NCD/0522/34999/109501763

May 30, 2022

Ms. Preeti Chheda

Chief Financial Officer

Mindspace Business Parks REIT (Mindspace REIT)

Raheja Tower, Level 8

Block G, C-30

Bandra-Kurla Complex

Mumbai City - 400051

Dear Ms. Preeti Chheda,

Re: Review of CRISIL Rating on the Rs. 450 Crore Non Convertible Debentures of Mindspace Business Parks REIT (Mindspace REIT)

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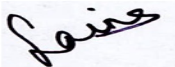
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Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Saina S Kathawala

Associate Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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CRISIL Ratings Limited

(A subsidiary of CRISIL Limited)

Corporate Identity Number: U67100MH2019PLC326247

Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



Rating Rationale

May 27, 2022 | Mumbai

Mindspace Business Parks REIT (Mindspace REIT)

'CRISIL AAA/Stable' assigned to Non Convertible Debentures

Rating Action

| | |
|---|---|
| Rs.50 Crore Non Convertible Debentures | CRISIL AAA/Stable (Assigned) |
| Rs.500 Crore Long Term Principal Protected Market Linked Debentures | CRISIL PPMLD AAA r /Stable (Reaffirmed) |
| Rs.375 Crore Long Term Principal Protected Market Linked Debentures | CRISIL PPMLD AAA r /Stable (Reaffirmed) |
| Rs.450 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.100 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.175 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.200 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.300 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Corporate Credit Rating | CCR AAA/Stable (Reaffirmed) |
| Rs.250 Crore Commercial Paper | CRISIL A1+ (Reaffirmed) |

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL AAA/Stable**' rating to proposed non-convertible debentures (NCDs) worth Rs 50 crore of Mindspace Business Parks REIT (Mindspace REIT). CRISIL Ratings has also reaffirmed its rating on market-linked debentures (MLDs), NCDs and commercial paper at '**CRISIL PP-MLD AAAr/CRISIL AAA/Stable/CRISIL A1+**'. The corporate credit rating has also been reaffirmed at '**CCR AAA/Stable**'. CRISIL Ratings has received draft term sheet for NCDs of Rs 500 crore, and the proposed terms and conditions largely are in line with those of the real estate investment trust's (REIT's) existing debentures. The proceeds from these NCDs are expected to be utilised towards refinancing.

Mindspace REIT is sponsored by the K Raheja Corp group. The REIT owns eight special purpose vehicles (asset SPVs) comprising 10 commercial offices, information technology (IT) parks and special economic zone (SEZ) assets, and houses the facility management division.

The ratings continue to reflect Mindspace REIT's comfortable net loan-to-value (LTV) ratio, characterized by low debt, strong debt protection metrics supported by a cap on incremental borrowings, and stable revenue profile of the assets, amidst benefits of healthy occupancy and geographic diversification. The strengths are partially offset by susceptibility to volatility in the real estate sector, causing fluctuations in rental rates and occupancy levels.

Subdued economic activity or extended periods of work-from-home adopted by certain corporates may lead to build up of vacancy in the near term. Further, planned construction activity may be impacted if there are restrictions on mobility of labour and resources to contain the pandemic in case of any additional waves. CRISIL Ratings will continue to monitor events around the pandemic.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of Mindspace REIT with those of its asset SPVs, in-line with its criteria for rating entities in homogeneous groups. This is because Mindspace REIT has direct control over the asset SPVs and will support them in the event of any exigency. Additionally, as per Securities and Exchange Board of India's (SEBI's) REIT Regulations, 2014, Mindspace REIT and its asset SPVs are mandated to distribute 90% of their net distributable cash flow. Also, the cap on borrowing by the REIT has been defined at a consolidated level (equivalent to 49% of the aggregate value of Mindspace REIT's assets).

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description**Strengths:**

- **Comfortable LTV ratio, supporting the ability to refinance:** Consolidated gross debt was low at Rs 4,298 crore as on December 31, 2021. Consequently, Mindspace REIT has a comfortable LTV ratio of 16.7% (on gross debt basis as per external valuation dated September 30, 2021). The low LTV ratio shields investors from the risk of any decline in property prices and its consequent impact on refinancing.

The proceeds from NCDs of Rs 275 crore were utilised primarily for refinancing external debt at underlying asset SPVs. These instruments are non-amortising with bullet repayment at the end of 36-38 months from deemed date of allotment, while the coupon is payable quarterly.

The MLDs of Rs 875 crore were also utilised primarily for refinancing external debt at underlying asset SPVs. These instruments are similar to the NCDs in terms of amortisation, and have a tenure of 577-1156 days from the date of allotment. The coupon is accruing and to be paid at the time of redemption of MLDs, subject to terms of and conditions mentioned in the transaction documents.

The proceeds from NCDs of Rs 400 crores raised under Sundew Properties Ltd (Sundew; rated CRISIL AAA/Stable) were also utilised primarily for refinancing external debt at underlying asset SPVs. These instruments are non-amortising with bullet repayment at the end of 33 months from deemed date of allotment, while the coupon is payable quarterly.

The NCDs of Rs 500 crore raised in Feb-22 have been primarily utilised for refinancing of external debt at underlying SPVs. These are non-amortising with bullet repayment at the end of 3 years, while the coupon will be payable quarterly as per the draft term sheet.

Proposed NCDs of Rs 500 crores are expected to be utilised for a) refinancing of external debt at underlying SPVs, b) construction finance for ongoing projects and future development c) working capital, d) funding acquisitions and/or e) other general corporate purposes. These are expected to be non-amortising with bullet repayment at the end of 3 years, while the coupon will be payable quarterly as per the draft term sheet.

- **Strong debt protection metrics:** CRISIL Ratings believes that Mindspace REIT will have healthy average consolidated interest service coverage ratio (ISCR) at over 2.0 times, including for all incremental financing in the underlying asset SPVs. This is because incremental debt, over and above the proposed instruments and existing debt, to be raised over the next 3-5 years is expected to be around Rs 3,000 crore. Consequently, LTV and debt-to-NOI/EBITDA (net operating income/earnings before interest, tax, depreciation and amortization) ratios should remain comfortable at below 40% and 5.0 times on a sustained basis, respectively, vis-à-vis 49% and 5.0 times, respectively, as per the terms of the existing as well as proposed instruments.
- **Stable revenue of asset SPVs:** Mindspace REIT's entire revenue comes from 10 commercial offices, IT parks and SEZs. Consolidated revenue was Rs 1,284 crore and Rs 1,629 crore (excludes revenue from works contract) for first nine months of fiscal 2022 and full year fiscal 2021 respectively. The portfolio assets had committed occupancy of 84.6% as on December 31, 2021. Committed occupancy has come down from 86.9% in December 2020, primarily due to vacancies of around 8.0 lakh square feet (sq. ft) in Mindspace Madhapur, Hyderabad; committed occupancy on same store basis also declined to 84.7%. The REIT entered into new agreements to the tune of 38.0 lakh sq. ft during first nine months of fiscal 2022 at a re-leasing spread of 37.0%. Hence, the increase in vacancy level is anticipated to be short-term with gradual improvement expected post current fiscal. Superior asset and service quality, favourable location in prime areas of Hyderabad, Mumbai Region, Pune and Chennai, good demand and competitive rental

Weakness:

- **Susceptibility to volatility in the real estate sector:** Rental collection remains susceptible to economic downturns, which may constrain the tenant's business risk profile, and therefore, limit occupancy and rental rates. Top 10 tenants and technology sector concentration at 37.0% and 42.7% of gross contracted rentals, respectively, as on December 31, 2021, exposes the REIT to moderate concentration risk. Further, as on December 31, 2021, 10.8% of the total completed leasable area will be due for renewal between Q4 fiscal 2022 and fiscal 2024. While majority of the tenants are established corporates and may continue to occupy the property, any industry shock leading to vacancies may make it difficult to find alternate lessees within the stipulated time. This could adversely impact cash flow, and hence, will be a key rating sensitivity factor.

Liquidity: Superior

Liquidity remains strong, supported by healthy average consolidated ISCR of over 2.0 times, including for permitted additional financing. Further, a low LTV ratio enhances the REIT's financial flexibility. Consolidated debt is unlikely to cause LTV ratio to exceed 40%, thus protecting investors from any decline in property prices and the consequent impact on refinancing.

Outlook: Stable

CRISIL Ratings believes Mindspace REIT will continue to benefit from the quality of its underlying assets over the medium term.

Rating Sensitivity factors**Downward factors:**

- Higher-than-expected incremental borrowing or reduction in the value of underlying assets, leading to LTV ratio of over 40%
- Reduction in overall committed occupancy to below 80%
- Significant delay in the completion and leasing of under construction assets
- Any other non-adherence to the structural features of the transaction

About the trust

Mindspace REIT is registered as an irrevocable trust under the Indian Trust Act, 1882, and as a REIT with SEBI's REIT Regulations, 2014, as amended. Mindspace REIT's portfolio assets are held through the following asset SPVs:

K Raheja IT Park (Hyderabad) Ltd (KRIT), Sundew Properties Ltd and Intime Properties Ltd (Intime) own and operate a SEZ/IT park, Mindspace, in Madhapur, Hyderabad. The property has been operational since 2005 and has a total completed area of approximately (approx.) 98 lakh sq. ft with committed occupancy 89.6% as on December 31, 2021, while an additional area of approx. 18 lakh sq. ft is expected to be developed over the medium term.

Avacado Properties and Trading (India) Pvt. Ltd (Avacado) owns and operates:

- An IT park, Mindspace, in Malad, Mumbai region. The property has been operational since 2004, and has a total leasable area of approx. 7 lakh sq. ft with committed occupancy of 93.6% as on December 31, 2021.
- A commercial office, The Square, in Bandra Kurla Complex, Mumbai region, with a total leasable area of approx. 1 lakh sq. ft and committed occupancy of 100.0% as on December 31, 2021. The property was acquired by the group in August 2019, and is completely leased.

Mindspace Business Parks Pvt. Ltd (MBPPL) owns and operates:

- An SEZ, Mindspace, in Airoli (East), Mumbai region. The property has been operational since 2007, and has a total completed leasable area of approx. 47 lakh sq. ft with committed occupancy of 86.8% as on December 31, 2021, while an additional area of approx. 21 lakh sq. ft is expected to be gradually developed over the medium-to-long term.
- An IT park, Commerzone, in Yerwada, Pune. The property has been operational since 2010, and has a total leasable area of approx. 17 lakh sq. ft with committed occupancy of 97.4% as on December 31, 2021.
- An IT park/commercial office, The Square, in Nagar Road, Pune. The property has been operational since 2015, and has a total leasable area of approx. 7 lakh sq. ft with committed occupancy of 100.0% as on December 31, 2021, while an additional area of approx. 1 lakh sq. ft is expected to be gradually developed over the medium-to-long term.
- An SEZ, Mindspace, in Pocharam, Hyderabad. The property has been operational since 2012 and has a total completed leasable area of approx. 4 lakh sq. ft with committed occupancy of 71.1% as on December 31, 2021, while an additional area of approx. 6 lakh sq. ft is expected to be gradually developed over the medium-to-long term.

Gigaplex Estate Pvt. Ltd (Gigaplex) owns and operates an SEZ/IT park, Mindspace, in Airoli (West) (Mumbai region). The property has been operational since 2013, and has a total completed leasable area of approx. 39 lakh sq. ft with committed occupancy of 67.3% as on December 31, 2021, while an additional area of approx. 12 lakh sq. ft is under construction and expected to be completed in phases over the next two fiscals.

KRC Infrastructure and Projects Pvt. Ltd (KRC Infra):

- Owns and operates an SEZ/IT park, Commerzone, in Kharadi, Pune. The property was completed in fiscal 2020, and has completed leasable area of approx. 13 lakh sq. ft with committed occupancy of 97.7% as on December 31, 2021. Another approx. 13 lakh sq. ft of area is under development or proposed to be developed over the medium term.
- The facility management arm, housed under this entity beginning October 1, 2020, provides services for each asset under the REIT. Services include housekeeping, management of equipment, facade cleaning, security expenses, repair and maintenance and maintenance of common areas, etc.

Horizonview Properties Pvt. Ltd (Horizonview) owns an IT park, Commerzone, in Porur, Chennai. The property was completed in June 2020, having completed leasable area of approx. 8 lakh sq. ft. with committed occupancy of 30.3% as on December 31, 2021

Key Financial Indicators

| Particulars | Unit | 2021** | 2020* |
|-------------------------|----------|--------|-------|
| Revenue from operations | Rs crore | 1,138 | 1,757 |
| Profit after tax (PAT) | Rs crore | 335 | 514 |
| PAT margin | % | 29.4 | 29.3 |
| Adjusted gearing | Times | 0.23 | 3.22 |
| Interest coverage | Times | 5.06 | 2.67 |

*Fiscal 2020 financials are prior to REIT listing and based on condensed consolidated financials provided by the issuer. **Fiscal 2021 financials are not comparable with that of fiscal 2020 and pertain the 8-month period since August 1, 2020 post listing of REIT.

Any other information

Key Financial Covenants for MLDs tranche I and II of Rs 500 crore and Rs 375 crore respectively, and NCDs tranche I, II and III of Rs 200 crore, Rs 75 crore and Rs 500 crore, respectively

At the REIT level:

- Gross Total Debt / EBITDA or NOI < = 5.00x
- Loan to Value <= 49%

For the proposed NCDs of Rs 500 crores, there is expected to be a modification in one of the covenant. The revised covenants will be:

- Net Debt / NOI < = 5.00x
- Loan to Value <= 49%

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

| ISIN | Name of instrument | Date of allotment | Coupon rate (%) | Maturity date | Issue size (Rs crore) | Complexity level | Rating assigned with outlook |
|--------------|--|-------------------|----------------------|---------------|-----------------------|------------------|------------------------------|
| INE0CCU07058 | Non-convertible debentures | 01-Feb-22 | NA | 31-Dec-24 | 500.0 | Simple | CRISIL AAA/Stable |
| INE0CCU07033 | Non-convertible debentures | 18-Mar-21 | 6.69% | 17-May-24 | 75.0 | Simple | CRISIL AAA/Stable |
| INE0CCU07025 | Non-convertible debentures | 17-Dec-20 | 6.45% | 16-Dec-23 | 200.0 | Simple | CRISIL AAA/Stable |
| INE0CCU07017 | Long-term principal protected market linked debentures | 29-Sep-20 | 10-year G-Sec linked | 29-Apr-22 | 500.0 | Highly complex | CRISIL PP-MLD AA+/Stable |
| INE0CCU07041 | Long-term principal protected market linked debentures | 18-Mar-21 | 10-year G-Sec linked | 17-May-24 | 375.0 | Highly complex | CRISIL PP-MLD AA+/Stable |
| NA | Commercial paper | NA | NA | 7-365 days | 250.0 | Simple | CRISIL A1+ |
| NA | Non-convertible debentures* | NA | NA | NA | 450.0 | NA | CRISIL AAA/Stable |
| NA | Non-convertible debentures* | NA | NA | NA | 50.0 | NA | CRISIL AAA/Stable |

*Not yet placed

Annexure – List of entities consolidated

| Entity consolidated | Extent of consolidation | Rationale for consolidation |
|---------------------|-------------------------|-----------------------------|
| KRIT | Full | 89% subsidiary |
| Sundew | Full | 89% subsidiary |
| Intime | Full | 89% subsidiary |
| Avacado | Full | 100% subsidiary |
| MBPPL | Full | 100% subsidiary |
| Gigaplex | Full | 100% subsidiary |
| KRC Infra | Full | 100% subsidiary |
| Horizonview | Full | 100% subsidiary |

Annexure - Rating History for last 3 Years

| Current | | | | 2022 (History) | | 2021 | | 2020 | | 2019 | | Start of 2019 |
|-------------------------|------|--------------------|----------------|----------------|----------------|----------|----------------|----------|----------------|------|--------|---------------|
| Instrument | Type | Outstanding Amount | Rating | Date | Rating | Date | Rating | Date | Rating | Date | Rating | Rating |
| Corporate Credit Rating | LT | 0.0 | CCR AAA/Stable | 17-05-22 | CCR AAA/Stable | 20-12-21 | CCR AAA/Stable | 11-12-20 | CCR AAA/Stable | | -- | -- |
| | | | | | | 14-07-21 | CCR AAA/Stable | 09-10-20 | CCR AAA/Stable | | -- | -- |

| | | | | | | | | | | | | |
|---|----|--------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------|----------|---|--|----|----|
| | | | -- | | -- | 09-03-21 | CCR AAA/Stable | 22-09-20 | CCR AAA/Stable | | -- | -- |
| | | | -- | | -- | | -- | 18-08-20 | CCR AAA/Stable | | -- | -- |
| | | | -- | | -- | | -- | 26-06-20 | Provisional CCR AAA/Stable | | -- | -- |
| Commercial Paper | ST | 250.0 | CRISIL A1+ | 17-05-22 | CRISIL A1+ | 20-12-21 | CRISIL A1+ | 11-12-20 | CRISIL A1+ | | -- | -- |
| | | | -- | | -- | 14-07-21 | CRISIL A1+ | 09-10-20 | CRISIL A1+ | | -- | -- |
| | | | -- | | -- | 09-03-21 | CRISIL A1+ | 22-09-20 | CRISIL A1+ | | -- | -- |
| Non Convertible Debentures | LT | 1275.0 | CRISIL AAA/Stable | 17-05-22 | CRISIL AAA/Stable | 20-12-21 | CRISIL AAA/Stable | 11-12-20 | CRISIL AAA/Stable,Provisional CRISIL AAA/Stable | | -- | -- |
| | | | -- | | -- | 14-07-21 | CRISIL AAA/Stable | 09-10-20 | Provisional CRISIL AAA/Stable | | -- | -- |
| | | | -- | | -- | 09-03-21 | CRISIL AAA/Stable | 22-09-20 | Provisional CRISIL AAA/Stable | | -- | -- |
| Long Term Principal Protected Market Linked Debentures | LT | 875.0 | CRISIL PPMLD AAA r /Stable | 17-05-22 | CRISIL PPMLD AAA r /Stable | 20-12-21 | CRISIL PPMLD AAA r /Stable | 11-12-20 | CRISIL PPMLD AAA r /Stable | | -- | -- |
| | | | -- | | -- | 14-07-21 | CRISIL PPMLD AAA r /Stable | 09-10-20 | CRISIL PPMLD AAA r /Stable | | -- | -- |
| | | | -- | | -- | 09-03-21 | CRISIL PPMLD AAA r /Stable | 22-09-20 | Provisional CRISIL PPMLD AAA r /Stable | | -- | -- |

All amounts are in Rs.Cr.

Criteria Details

| |
|---|
| Links to related criteria |
| CRISILs rating criteria for REITs and InVITs |
| CRISILs criteria for rating debt backed by lease rentals of commercial real estate properties |
| Criteria for rating entities belonging to homogenous groups |
| CRISILs Criteria for Consolidation |

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Rating Rationale

December 20, 2021 | Mumbai

Mindspace Business Parks REIT (Mindspace REIT)

'CRISIL AAA / Stable' assigned to Non Convertible Debentures

Rating Action

| | |
|---|---|
| Rs.100 Crore Non Convertible Debentures | CRISIL AAA/Stable (Assigned) |
| Rs.500 Crore Long Term Principal Protected Market Linked Debentures | CRISIL PPMLD AAA r /Stable (Reaffirmed) |
| Rs.375 Crore Long Term Principal Protected Market Linked Debentures | CRISIL PPMLD AAA r /Stable (Reaffirmed) |
| Rs.175 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.200 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Rs.300 Crore Non Convertible Debentures | CRISIL AAA/Stable (Reaffirmed) |
| Corporate Credit Rating | CCR AAA/Stable (Reaffirmed) |
| Rs.250 Crore Commercial Paper | CRISIL A1+ (Reaffirmed) |

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL AAA/Stable**' rating to proposed non-convertible debentures (NCDs) worth Rs 100 crore of Mindspace Business Parks REIT (Mindspace REIT). CRISIL Ratings has also reaffirmed its rating on market-linked debentures (MLDs), NCDs (including proposed NCDs of Rs 400 crore) and commercial paper at '**CRISIL PP-MLD AAAr/CRISIL AAA/Stable/CRISIL A1+**'. The corporate credit rating has also been reaffirmed at '**CCR AAA/Stable**'. CRISIL Ratings has received draft term sheet for NCDs of Rs 500 crore, and the proposed terms and conditions largely are in line with those of the real estate investment trust's (REIT's) existing debentures.

Mindspace REIT is sponsored by the K Raheja Corp group. The REIT owns eight special purpose vehicles (asset SPVs) comprising 10 commercial offices, information technology (IT) parks and special economic zone (SEZ) assets, and houses the facility management division.

The ratings continue to reflect Mindspace REIT's comfortable net loan-to-value (LTV) ratio, characterised by low debt, strong debt protection metrics supported by a cap on incremental borrowings, and stable revenue profile of the assets, amidst benefits of healthy occupancy and geographic diversification. The strengths are partially offset by susceptibility to volatility in the real estate sector, causing fluctuations in rental rates and occupancy levels.

Subdued economic activity or extended periods of work-from-home adopted by certain corporates may lead to build up of vacancy in the near term. Further, planned construction activity may be impacted if there are restrictions on mobility of labour and resources to contain the pandemic in case of any additional waves. CRISIL Ratings will continue to monitor events around the pandemic.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of Mindspace REIT with those of its asset SPVs, in-line with its criteria for rating entities in homogeneous groups. This is because Mindspace REIT has direct control over the asset SPVs and will support them in the event of any exigency. Additionally, as per Securities and Exchange Board of India's (SEBI's) REIT Regulations, 2014, Mindspace REIT and its asset SPVs are mandated to distribute 90% of their net distributable cash flow. Also, the cap on borrowing by the REIT has been defined at a consolidated level (equivalent to 49% of the aggregate value of Mindspace REIT's assets).

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Comfortable LTV ratio, supporting the ability to refinance:** Consolidated gross debt was low at Rs 4,281 crore as on September 30, 2021. Consequently, Mindspace REIT has a comfortable LTV ratio of 15.9% (on gross debt basis as per external valuation dated September 30, 2021). The low LTV ratio shields investors from the risk of any decline in property prices and its consequent impact on refinancing.

The proceeds from NCDs of Rs 275 crore were utilised primarily for refinancing external debt at underlying asset SPVs. These instruments are non-amortising with bullet repayment at the end of 36-38 months from deemed date of allotment, while the coupon is payable quarterly.

The MLDs of Rs 875 crore were also utilised primarily for refinancing external debt at underlying asset SPVs. These instruments are similar to the NCDs in terms of amortisation, and have a tenure of 577-1156 days from the date of allotment. The coupon is accruing and to be paid at the time of redemption of MLDs, subject to terms of and conditions mentioned in the transaction documents.

The proceeds from NCDs of Rs 400 crores raised under Sundew Properties Ltd (Sundew; rated CRISIL AAA/Stable) were also utilised primarily for refinancing external debt at underlying asset SPVs. These instruments are non-amortising with bullet repayment at the end of 33 months from deemed date of allotment, while the coupon is payable quarterly.

The proposed NCDs of Rs 500 crore are expected to be utilised for - a) refinancing of external debt at underlying SPVs, b) construction finance for ongoing projects and future development c) working capital, d) funding acquisitions and/or e) other general corporate purposes. These are expected to be non-amortising with bullet repayment at the end of 3 years, while the coupon will be payable quarterly as per the draft term sheet.

- **Strong debt protection metrics:** CRISIL Ratings believes that Mindspace REIT will have healthy average consolidated interest service coverage ratio (ISCR) at over 2.0 times, including for all incremental financing in the underlying asset SPVs. This is because incremental debt, over and above the proposed instruments and existing debt, to be raised over the next 3-5 years is expected to be around Rs 3,000 crore. Consequently, LTV and debt-to-NOI/EBITDA (net operating income/earnings before interest, tax, depreciation and amortization) ratios should remain comfortable at below 40% and 4.5 times, respectively, vis-à-vis 49% and 5.0 times, respectively, as per the terms of the existing as well as proposed instruments.
- **Stable revenue of asset SPVs:** Mindspace REIT's entire revenue comes from 10 commercial offices, IT parks and SEZs. Consolidated revenue was Rs 843 crore and Rs 1,363 crore (excluding revenue from works contract) for first half of fiscal 2022 and full year fiscal 2021 respectively. The portfolio assets had committed occupancy of 84.9% as on September 30, 2021. Committed occupancy has come down from 86.9% in December 2020, primarily due to vacancies of around 8.0 lakh square feet (sq. ft) in Mindspace Madhapur, Hyderabad; committed occupancy on same store basis also declined to 85.0%. The REIT entered into new agreements to the tune of 21.0 lakh sq. ft during first half of fiscal 2022 at a re-leasing spread of 42.1%. Hence, the increase in vacancy level is anticipated to be short-term with gradual improvement expected post current fiscal. Superior asset and service quality, favourable location in prime areas of Hyderabad, Mumbai Region, Pune and Chennai, good demand and competitive rental rates should support occupancy going forward.

Weakness:

- **Susceptibility to volatility in the real estate sector:** Rental collection remains susceptible to economic downturns, which may constrain the tenant's business risk profile, and therefore, limit occupancy and rental rates. Top 10 tenants and technology sector concentration at 37.2% and 44.3% of gross contracted rentals, respectively, as on September 30, 2021, exposes the REIT to moderate concentration risk. Further, as on September 30, 2021, 16.3% of the total completed leasable area will be due for renewal between fiscal 2022 and fiscal 2024. While majority of the tenants are established corporates and may continue to occupy the property, any industry shock leading to vacancies may make it difficult to find alternate lessees within the stipulated time. This could adversely impact cash flow, and hence, will be a key rating sensitivity factor.

Liquidity: Superior

Liquidity remains strong, supported by healthy average consolidated ISCR of over 2.0 times, including for permitted additional financing. Further, a low LTV ratio enhances the REIT's financial flexibility. Consolidated debt is unlikely to cause LTV ratio to exceed 40%, thus protecting investors from any decline in property prices and the consequent impact on refinancing.

Outlook: Stable

CRISIL Ratings believes Mindspace REIT will continue to benefit from the quality of its underlying assets over the medium term.

Rating Sensitivity factors

Downward factors:

- Reduction in the value of underlying assets, leading to LTV ratio of over 40%
- Higher-than-expected incremental borrowing
- Reduction in overall committed occupancy to below 80%
- Significant delay in the completion and leasing of under construction assets
- Any other non-adherence to the structural features of the transaction

About the trust

Mindspace REIT is registered as an irrevocable trust under the Indian Trust Act, 1882, and as a REIT with SEBI's REIT Regulations, 2014, as amended. Mindspace REIT's portfolio assets are held through the following asset SPVs:

K Raheja IT Park (Hyderabad) Ltd (KRIT), Sundew Properties Ltd and Intime Properties Ltd (Intime) own and operate a SEZ/IT park, Mindspace, in Madhapur, Hyderabad. The property has been operational since 2005 and has a total completed area of approximately (approx.) 98 lakh sq. ft with committed occupancy 91.2% as on September 30, 2021, while an additional area of approx. 18 lakh sq. ft is expected to be developed over the medium term.

Avacado Properties and Trading (India) Pvt. Ltd (Avacado) owns and operates:

- An IT park, Mindspace, in Malad, Mumbai region. The property has been operational since 2004, and has a total leasable area of approx. 7 lakh sq. ft with committed occupancy of 93.6% as on September 30, 2021.
- A commercial office, The Square, in Bandra Kurla Complex, Mumbai region, with a total leasable area of approx. 1 lakh sq. ft and committed occupancy of 100.0% as on September 30, 2021. The property was acquired by the group in August 2019, and is completely leased.

Mindspace Business Parks Pvt. Ltd (MBPPL) owns and operates:

- An SEZ, Mindspace, in Airoli (East), Mumbai region. The property has been operational since 2007, and has a total completed leasable area of approx. 47 lakh sq. ft with committed occupancy of 88.1% as on September 30, 2021, while an additional area of approx. 21 lakh sq. ft is expected to be gradually developed over the medium-to-long term.
- An IT park, Commerzone, in Yerwada, Pune. The property has been operational since 2010, and has a total leasable area of approx. 17 lakh sq. ft with committed occupancy of 97.4% as on September 30, 2021.
- An IT park/commercial office, The Square, in Nagar Road, Pune. The property has been operational since 2015, and has a total leasable area of approx. 7 lakh sq. ft with committed occupancy of 100.0% as on September 30, 2021, while an additional area of approx. 1 lakh sq. ft is expected to be gradually developed over the medium-to-long term.
- An SEZ, Mindspace, in Pocharam, Hyderabad. The property has been operational since 2012 and has a total completed leasable area of approx. 4 lakh sq. ft with committed occupancy of 71.1% as on September 30, 2021, while an additional area of approx. 6 lakh sq. ft is expected to be gradually developed over the medium-to-long term.

Gigaplex Estate Pvt. Ltd (Gigaplex) owns and operates an SEZ/IT park, Mindspace, in Airoli (West) (Mumbai region). The property has been operational since 2013, and has a total completed leasable area of approx. 37 lakh sq. ft with committed occupancy of 66.8% as on September 30, 2021, while an additional area of approx. 15 lakh sq. ft is under construction and expected to be completed in phases over the next two fiscals.

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- Owns and operates an SEZ/IT park, Commerzone, in Kharadi, Pune. The property was completed in fiscal 2020, and has completed leasable area of approx. 13 lakh sq. ft with committed occupancy of 93.1% as on September 30, 2021. Another approx. 13 lakh sq. ft of area is under development or proposed to be developed over the medium term.
- The facility management arm, housed under this entity beginning October 1, 2020, provides services for each asset under the REIT. Services include housekeeping, management of equipment, facade cleaning, security expenses, repair and maintenance and maintenance of common areas, etc.

Horizonview Properties Pvt. Ltd (Horizonview) owns an IT park, Commerzone, in Porur, Chennai. The property was completed in June 2020, having completed leasable area of approx. 8 lakh sq. ft. with committed occupancy of 16.8% as on September 30, 2021

Key Financial Indicators

| Particulars | Unit | 2021** | 2020* |
|-------------------------|----------|--------|-------|
| Revenue from operations | Rs crore | 1,138 | 1,757 |
| Profit after tax (PAT) | Rs crore | 335 | 514 |
| PAT margin | % | 29.4 | 29.3 |
| Adjusted gearing | Times | 0.23 | 3.22 |
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*Fiscal 2020 financials are prior to REIT listing and based on condensed consolidated provided by the issuer. **Fiscal 2021 financials are not comparable with that of fiscal 2020 and pertain 8 month period since August 1, 2020 post listing of REIT.

Note on complexity levels of the rated instrument:

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levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

| ISIN | Name of instrument | Date of allotment | Coupon rate (%) | Maturity date | Issue size (Rs crore) | Complexity level | Rating assigned with outlook |
|--------------|--|-------------------|----------------------|---------------|-----------------------|------------------|------------------------------|
| NA | Non-convertible debentures* | NA | NA | NA | 400 | NA | CRISIL AAA/Stable |
| INE0CCU07033 | Non-convertible debentures | 18-Mar-2021 | 0.0669 | 17-May-2024 | 75 | Simple | CRISIL AAA/Stable |
| INE0CCU07025 | Non-convertible debentures | 17-Dec-2020 | 0.0645 | 16-Dec-2023 | 200 | Simple | CRISIL AAA/Stable |
| INE0CCU07017 | Long-term principal protected market linked debentures | 29-Sep-2020 | 10-year G-Sec linked | 29-Apr-2022 | 500 | Highly complex | CRISIL PPMLD AAA r/Stable |
| INE0CCU07041 | Long-term principal protected market linked debentures | 18-Mar-2021 | 10-year G-Sec linked | 17-May-2024 | 375 | Highly complex | CRISIL PPMLD AAA r/Stable |
| NA | Commercial paper* | NA | NA | 7-365 days | 250 | Simple | CRISIL A1+ |
| NA | Non-convertible debentures* | NA | NA | NA | 100 | NA | CRISIL AAA/Stable |

*Not yet placed

Annexure – List of entities consolidated

| Entity consolidated | Extent of consolidation | Rationale for consolidation |
|---------------------|-------------------------|-----------------------------|
| KRIT | Full | 89% subsidiary |
| Sundew | Full | 89% subsidiary |
| Intime | Full | 89% subsidiary |
| Avacado | Full | 100% subsidiary |
| MBPPL | Full | 100% subsidiary |
| Gigaplex | Full | 100% subsidiary |
| KRC Infra | Full | 100% subsidiary |
| Horizonview | Full | 100% subsidiary |

Annexure - Rating History for last 3 Years

| Instrument | Current | | | 2021 (History) | | 2020 | | 2019 | | 2018 | | Start of 2018 |
|----------------------------|---------|--------------------|-------------------|----------------|-------------------|----------|--|------|--------|------|--------|---------------|
| | Type | Outstanding Amount | Rating | Date | Rating | Date | Rating | Date | Rating | Date | Rating | Rating |
| Corporate Credit Rating | LT | 0.0 | CCR AAA/Stable | 14-07-21 | CCR AAA/Stable | 11-12-20 | CCR AAA/Stable | | -- | | -- | -- |
| | | | -- | 09-03-21 | CCR AAA/Stable | 09-10-20 | CCR AAA/Stable | | -- | | -- | -- |
| | | | -- | | -- | 22-09-20 | CCR AAA/Stable | | -- | | -- | -- |
| | | | -- | | -- | 18-08-20 | CCR AAA/Stable | | -- | | -- | -- |
| | | | -- | | -- | 26-06-20 | Provisional CCR AAA/Stable | | -- | | -- | -- |
| Commercial Paper | ST | 250.0 | CRISIL A1+ | 14-07-21 | CRISIL A1+ | 11-12-20 | CRISIL A1+ | | -- | | -- | -- |
| | | | -- | 09-03-21 | CRISIL A1+ | 09-10-20 | CRISIL A1+ | | -- | | -- | -- |
| | | | -- | | -- | 22-09-20 | CRISIL A1+ | | -- | | -- | -- |
| Non Convertible Debentures | LT | 775.0 | CRISIL AAA/Stable | 14-07-21 | CRISIL AAA/Stable | 11-12-20 | CRISIL AAA/Stable, Provisional CRISIL AAA/Stable | | -- | | -- | -- |
| | | | -- | 09-03-21 | CRISIL AAA/Stable | 09-10-20 | Provisional CRISIL AAA/Stable | | -- | | -- | -- |
| | | | -- | | -- | 22-09-20 | Provisional CRISIL AAA/Stable | | -- | | -- | -- |

| | | | | | | | | | | | | |
|--|----|-------|----------------------------|----------|----------------------------|----------|--|--|----|--|----|----|
| Long Term Principal Protected Market Linked Debentures | LT | 875.0 | CRISIL PPMLD AAA r /Stable | 14-07-21 | CRISIL PPMLD AAA r /Stable | 11-12-20 | CRISIL PPMLD AAA r /Stable | | -- | | -- | -- |
| | | | -- | 09-03-21 | CRISIL PPMLD AAA r /Stable | 09-10-20 | CRISIL PPMLD AAA r /Stable | | -- | | -- | -- |
| | | | -- | | -- | 22-09-20 | Provisional CRISIL PPMLD AAA r /Stable | | -- | | -- | -- |

All amounts are in Rs.Cr.

Criteria Details

| |
|---|
| Links to related criteria |
| CRISILs rating criteria for REITs and InVITs |
| CRISILs criteria for rating debt backed by lease rentals of commercial real estate properties |
| Criteria for rating entities belonging to homogenous groups |

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