

# Mindspace Business Parks REIT | ADD

## Announces third acquisition since Jan'25

Mindspace REIT has announced its third inorganic transaction since Jan'25 with the proposed acquisition of three office assets (2 in Mumbai and 1 in Pune) from the sponsor with a cumulative leasable area of 0.8msf - taking the total portfolio to 39msf. The assets include - (1) 0.45msf at Ascent (Worli), (2) 0.2msf at The Square Avenue 98 (BKC) and (3) 0.1msf at Kalyani Nagar (Pune). In terms of committed occupancy, Ascent stands at 86% while the other two assets are fully leased. The acquisition will be completed at a GAV of c. INR 29.2bn (6% discount) and the REIT will pay a consideration of INR 18.2bn through share swap to the sponsor for 100% equity. The office segment in India is witnessing healthy tailwinds and the REIT has added c.4msf by way of opportunistic acquisitions. It is also well placed to cater to strong demand in Hyderabad given the development pipeline of 3.7msf. With a low LTV of 24.7% (vs. 24.2% earlier), the REIT continues to evaluate the acquisition of ROFO as well as third party assets. We maintain an 'ADD' rating with a Mar'27 TP of INR 470.

- **Acquires three assets from the sponsor:** Mindspace REIT has announced the acquisition of three office assets (2 in Mumbai and 1 in Pune) from the sponsor with a cumulative leasable area of 0.8msf - taking the total portfolio to 39msf. The assets include - (1) 0.45msf at Ascent (Worli), (2) 0.2msf at The Square Avenue 98 (BKC) and (3) 0.1msf at Kalyani Nagar (Pune). On proforma basis, the assets will add INR 2.3bn to FY26 NOI, implying a growth of 9.1% and the acquisition is 1.7% accretive to DPU. The acquisition will be completed at a GAV of c. INR 29.2bn, representing a c. 6.1% discount to the average of two independent valuations. The REIT will pay a consideration of INR 18.2bn through share swap to the sponsor for 100% equity and the transaction is expected to be closed by Jan'26.
- **Ascent – Best among the three:** The Worli asset received full OC in Oct'25 and has a committed occupancy of 86% with the space being taken up by global and domestic corporations. The economic occupancy will reach similar levels by Jun'26 and the management expects to lease the balance area over the next few months. The current rates are INR 302 /sqft per month and new deals are being signed at INR 300-350 /sqft per month. It will be acquired at a 7.5% cap rate and a GAV of INR 23bn. The rents in this micro-market are up by c.1.5x since CY22 driven by commissioning of high quality Grade A supply and vacancy stands at 5.6% as of Sep'25.
- **Strong MTM at BKC asset:** The Square Avenue 98 is a CBD asset located in close proximity to BKC and is fully occupied by a global financial institution since CY09. The existing lease will expire in Oct'27 and, with in-place rentals at INR 197 /sqft per month, the asset has 40% MTM opportunity. Additionally, there is potential to add 62ksf by way of additional floor and improved efficiency. Minimal fresh supply since CY21 has resulted in 14% CAGR in rentals over CY23-25 in this micro-market and vacancy stands at 4.8% as of Sep'25.
- **Pune – stable rent with long term lease:** The Kalyani Nagar asset is well placed in terms of connectivity and has multiple premium hotels in the vicinity due to proximity with the international airport. It fully leased to a premium flex operator with a WALE of 6.8 years. The acquisition price is at 9.4% discount to the average valuation with an implied cap rate of 8.4% and an estimated distribution yield of 7.6%.
- **Maintain ADD with TP of INR 470:** We maintain a 'ADD' rating with a Mar'27 TP of INR 470 (total return potential of 6.7%; 5.6% dividend and 1.1% capital appreciation). At CMP, the stock trades at 5.1% / 5.6% FY26E / FY27E dividend yield.



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### Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	470
Upside/(Downside)	1.1%
Previous Price Target	470
Change	0.0%

### Key Data – MINDSPACE IN

Current Market Price	INR465
Market cap (bn)	INR283.2/US\$3.2
Free Float	100%
Shares in issue (mn)	609.2
Diluted share (mn)	609.2
3-mon avg daily val (mn)	INR72.2/US\$0.8
52-week range	476/353
Sensex/Nifty	85,642/26,176
INR/US\$	89.6

### Price Performance

%	1M	6M	12M
Absolute	0.0	17.7	26.1
Relative*	-2.0	11.9	17.5

\* To the BSE Sensex

### Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	24,292	25,961	30,504	34,926	40,328
Sales Growth (%)	6.4	6.9	17.5	14.5	15.5
EBITDA	17,511	18,886	22,577	26,280	30,673
EBITDA Margin (%)	72.1	72.7	74.0	75.2	76.1
Adjusted Net Profit	5,614	4,796	6,841	9,135	10,248
Diluted EPS (INR)	9.5	7.9	11.2	15.0	16.8
Diluted EPS Growth (%)	33.5	-16.8	42.6	33.5	12.2
ROIC (%)	4.1	3.4	4.4	5.6	6.0
ROE (%)	3.9	3.4	5.0	7.1	8.4
P/E (x)	49.1	59.1	41.4	31.0	27.6
P/B (x)	1.9	2.0	2.1	2.2	2.4
EV/EBITDA (x)	20.5	20.7	17.7	15.7	13.9
Dividend Yield (%)	4.1	4.6	5.1	5.6	6.1

Source: Company data, JM Financial. Note: Valuations as of 01/Dec/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

**Exhibit 1. Quality assets well positioned to capitalise on commercial office demand**

Assets	Leasable Area <sup>(1)</sup> (msf)	Committed Occupancy <sup>(1)</sup> (%)	WALE	In-Place Rent (INR psf pm)	Average GAV <sup>(2)</sup> (INR bn)
Ascent-Worli	0.45	86	8.9	302	22.9
The Square Avenue 98 (BKC Annex)	0.22	100	2.1	197	6.7
Pune Office Building	0.10	100	6.8	77	1.5
<b>Total</b>	<b>0.77</b>	<b>91</b>	<b>7.0</b>	<b>243</b>	<b>31.1</b>

Source: Company, JM Financial

1. Leasable area and Committed Occupancy is for Office area and excludes residential units to be rented in Ascent - Worli and amenity area in Pune Office building

2. GAV as of Sep 30, 2025, is calculated as average of valuation undertaken by two independent valuers L. Anuradha and ANVI Technical Advisors India Pvt. Ltd

**Exhibit 2. Acquisition to help enhance portfolio size and quality**

Particulars	Pre Acquisition	Post Acquisition
Total Leasable Area <sup>(1)</sup> msf	38.2 <sup>(1)</sup>	39.0 <sup>(2)</sup>
GAV <sup>(3,4)</sup> (INR bn)	410.2	441.3
LTV <sup>(3,5)</sup>	24.20%	24.70%
NOI <sup>(6,7)</sup> (INR mn)	25,006	27,268

Source: Company, JM Financial

1. Comprises 31msf Completed Area, 3.7msf of Under-Construction area and 3.5msf Future Development Area of the existing MREIT Portfolio

2. Comprises 31.7msf Completed Area, 3.7msf of Under-Construction area and 3.6msf Future Development Area(including efficiency adjustment considered on re-leasing) of the Post Acquisition Portfolio

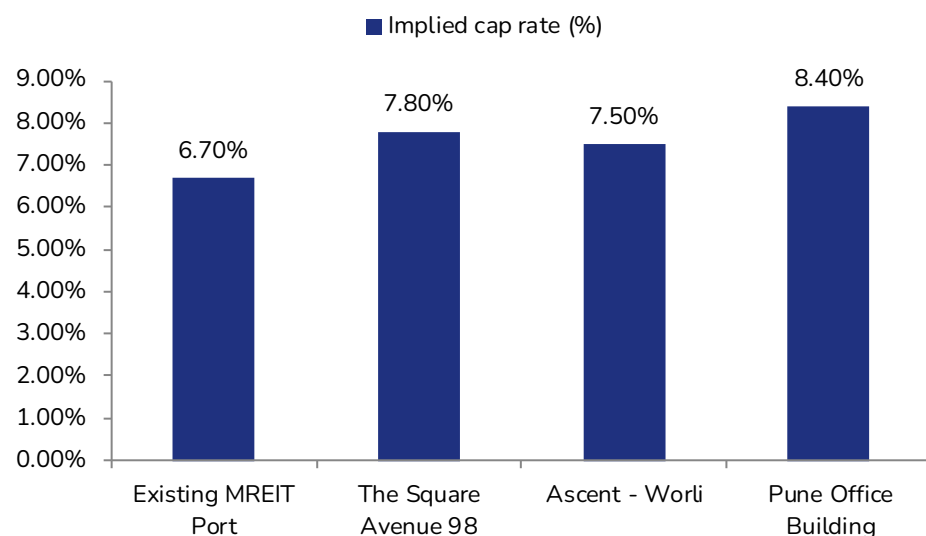
3. GAV post acquisition = Market value of REIT as on 30 Sep 25 + Market Value (Average of two Valuations) of acquisition assets as on 30 Sep 25

4. The Market Value of Mindspace Madhapur is with respect to 89.0% ownership of the respective Asset SPVs that own Mindspace Madhapur

5. For the purpose of LTV calculation, Cash and Cash Equivalents, Fixed Deposits (with tenure &gt; 3 months) which can be liquidated when required, accounting &amp; minority adj. are reduced from Gross Debt

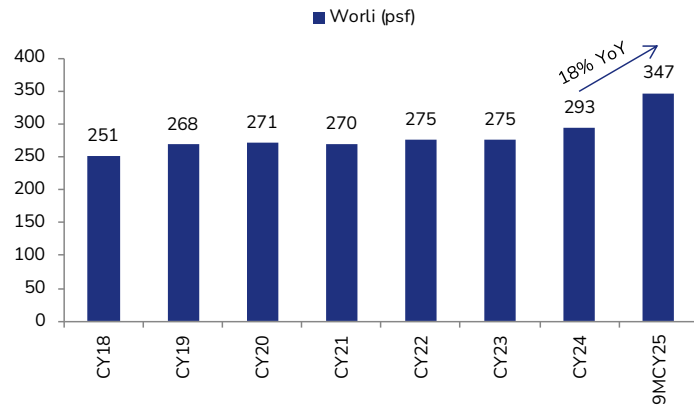
6. Proforma NOI for FY26 based on actuals for H1 FY26 and considering H2 FY26 same as H1 FY26

7. NOI post acquisition=proforma NOI of REIT for FY26 + Estimated NOI for FY27 as per Valuer 1 for acquisition assets

**Exhibit 3. Implied Cap Rate (NOI Yield)**

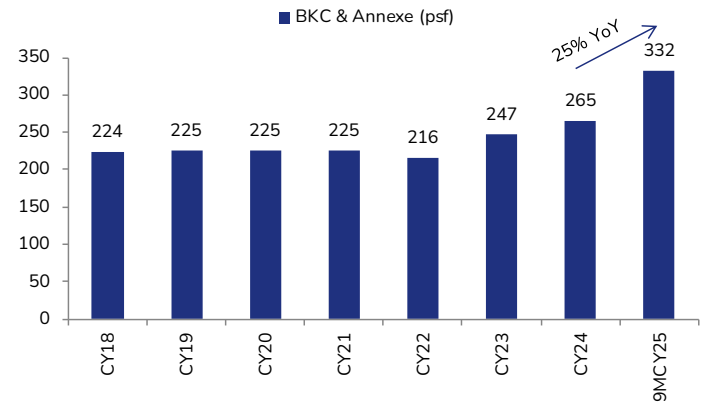
Source: Company, JM Financial

Exhibit 4. Average rental trend in Worli



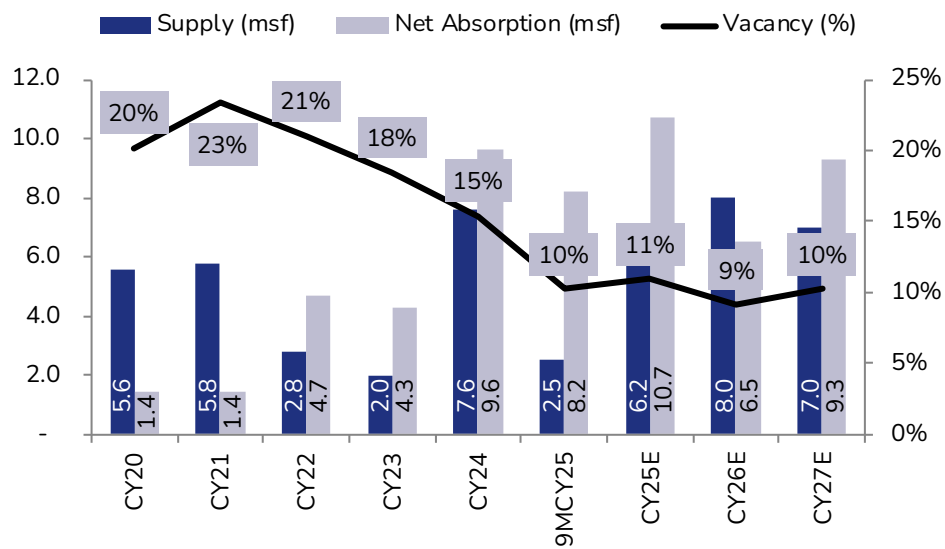
Source: Company, JM Financial

Exhibit 5. Average rental trend in BKC



Source: Company, JM Financial

Exhibit 6. MMR - Strong absorption help reducing vacancy



Source: Company, JM Financial

## Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	24,292	25,961	30,504	34,926	40,328
Sales Growth	6.4%	6.9%	17.5%	14.5%	15.5%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>24,292</b>	<b>25,961</b>	<b>30,504</b>	<b>34,926</b>	<b>40,328</b>
Cost of Goods Sold/Op. Exp	1,504	727	741	756	771
Personnel Cost	298	303	318	334	351
Other Expenses	4,979	6,045	6,867	7,556	8,534
<b>EBITDA</b>	<b>17,511</b>	<b>18,886</b>	<b>22,577</b>	<b>26,280</b>	<b>30,673</b>
EBITDA Margin	72.1%	72.7%	74.0%	75.2%	76.1%
EBITDA Growth	13.9%	7.9%	19.5%	16.4%	16.7%
Depn. & Amort.	3,827	4,060	4,236	4,419	4,617
EBIT	13,684	14,827	18,341	21,861	26,056
Other Income	352	461	610	699	807
Finance Cost	4,566	5,573	6,831	7,733	8,880
PBT before Excep. & Forex	9,470	9,715	12,120	14,826	17,983
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	9,470	9,715	12,120	14,826	17,983
Taxes	3,494	4,544	4,848	5,239	7,259
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	362	375	431	452	475
Reported Net Profit	5,614	4,796	6,841	9,135	10,248
<b>Adjusted Net Profit</b>	<b>5,614</b>	<b>4,796</b>	<b>6,841</b>	<b>9,135</b>	<b>10,248</b>
Net Margin	23.1%	18.5%	22.4%	26.2%	25.4%
Diluted Share Cap. (mn)	593.0	609.2	609.2	609.2	609.2
<b>Diluted EPS (INR)</b>	<b>9.5</b>	<b>7.9</b>	<b>11.2</b>	<b>15.0</b>	<b>16.8</b>
Diluted EPS Growth	33.5%	-16.8%	42.6%	33.5%	12.2%
Total Dividend + Tax	11,362	13,121	14,515	15,845	17,232
Dividend Per Share (INR)	19.2	21.5	23.8	26.0	28.3

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	9,470	9,715	12,120	14,826	17,983
Depn. & Amort.	3,827	4,060	4,236	4,419	4,617
Net Interest Exp. / Inc. (-)	4,316	5,081	6,221	7,035	8,073
Inc (-) / Dec in WCap.	-369	3,574	4,453	51	54
Others	309	190	0	0	0
Taxes Paid	-1,924	-2,412	-4,848	-5,239	-7,259
<b>Operating Cash Flow</b>	<b>15,629</b>	<b>20,207</b>	<b>22,183</b>	<b>21,093</b>	<b>23,467</b>
Capex	-10,836	-14,894	-10,500	-11,000	-12,000
Free Cash Flow	4,793	5,313	11,683	10,093	11,467
Inc (-) / Dec in Investments	0	0	0	0	0
Others	0	0	0	0	0
<b>Investing Cash Flow</b>	<b>-10,836</b>	<b>-14,894</b>	<b>-10,500</b>	<b>-11,000</b>	<b>-12,000</b>
Inc / Dec (-) in Capital	0	-1	0	0	0
Dividend + Tax thereon	-12,107	-12,437	-14,515	-15,845	-17,232
Inc / Dec (-) in Loans	15,045	14,946	12,378	11,000	14,000
Others	-4,573	-7,235	-6,221	-7,035	-8,073
<b>Financing Cash Flow</b>	<b>-1,635</b>	<b>-4,727</b>	<b>-8,358</b>	<b>-11,880</b>	<b>-11,305</b>
<b>Inc / Dec (-) in Cash</b>	<b>3,158</b>	<b>586</b>	<b>3,324</b>	<b>-1,787</b>	<b>163</b>
Opening Cash Balance	2,843	1,231	1,677	5,000	3,210
Closing Cash Balance	1,886	1,677	5,000	3,210	3,371

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	141,689	140,544	132,870	126,160	119,177
Share Capital	0	0	0	0	0
Reserves & Surplus	141,689	140,544	132,870	126,160	119,177
Preference Share Capital	0	0	0	0	0
Minority Interest	7,596	7,561	7,992	8,444	8,919
Total Loans	69,728	101,098	113,476	124,476	138,476
Def. Tax Liab. / Assets (-)	3,431	4,638	4,602	4,564	4,524
<b>Total - Equity &amp; Liab.</b>	<b>222,444</b>	<b>253,841</b>	<b>258,940</b>	<b>263,644</b>	<b>271,096</b>
Net Fixed Assets	219,734	248,389	254,652	261,233	268,616
Gross Fixed Assets	217,815	257,358	268,531	280,136	292,681
Intangible Assets	1	1	1	1	1
Less: Depn. & Amort.	12,649	16,346	20,582	25,001	29,618
Capital WIP	14,567	7,375	6,702	6,097	5,552
Investments	33	39	41	43	45
Current Assets	17,014	17,751	21,825	20,826	21,815
Inventories	44	50	53	55	58
Sundry Debtors	1,092	587	616	647	679
Cash & Bank Balances	1,886	1,677	5,000	3,210	3,371
Loans & Advances	0	0	0	0	0
Other Current Assets	13,992	15,437	16,157	16,913	17,707
Current Liab. & Prov.	14,337	12,337	17,579	18,458	19,381
Current Liabilities	5,050	6,179	6,488	6,812	7,153
Provisions & Others	9,287	6,159	11,091	11,646	12,228
Net Current Assets	2,677	5,414	4,247	2,368	2,435
<b>Total - Assets</b>	<b>222,444</b>	<b>253,841</b>	<b>258,940</b>	<b>263,644</b>	<b>271,096</b>

Source: Company, JM Financial

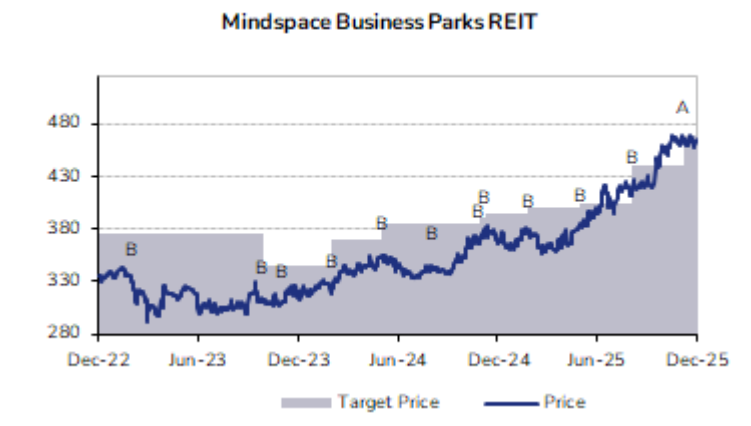
Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	23.1%	18.5%	22.4%	26.2%	25.4%
Asset Turnover (x)	0.1	0.1	0.1	0.1	0.1
Leverage Factor (x)	1.5	1.7	1.9	2.1	2.2
RoE	3.9%	3.4%	5.0%	7.1%	8.4%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	238.9	230.7	218.1	207.1	195.6
ROIC	4.1%	3.4%	4.4%	5.6%	6.0%
ROE	3.9%	3.4%	5.0%	7.1%	8.4%
Net Debt/Equity (x)	0.5	0.7	0.8	1.0	1.1
P/E (x)	49.1	59.1	41.4	31.0	27.6
P/B (x)	1.9	2.0	2.1	2.2	2.4
EV/EBITDA (x)	20.5	20.7	17.7	15.7	13.9
EV/Sales (x)	14.8	15.0	13.1	11.8	10.6
Debtor days	16	8	7	7	6
Inventory days	1	1	1	1	1
Creditor days	59	68	63	61	57

Source: Company, JM Financial

## History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
12-Feb-21	Buy	335	
18-May-21	Buy	320	-4.5
16-Aug-21	Buy	320	-0.1
16-Nov-21	Buy	345	7.6
14-Feb-22	Buy	365	5.8
15-May-22	Buy	365	0.2
11-Aug-22	Buy	385	5.3
15-Nov-22	Buy	375	-2.5
31-Jan-23	Buy	375	0.0
24-Sep-23	Buy	345	-8.0
31-Oct-23	Buy	345	0.0
30-Jan-24	Buy	370	7.2
1-May-24	Buy	385	4.1
1-Aug-24	Buy	385	0.0
27-Oct-24	Buy	390	1.3
7-Nov-24	Buy	395	1.3
26-Jan-25	Buy	400	1.3
2-May-25	Buy	405	1.3
5-Aug-25	Buy	440	8.6
7-Nov-25	Add	470	6.8

## Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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