

March 18, 2025

## BSREP India Office Holdings V Pte. Ltd: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer rating	0.00	0.00	[ICRA]AA (Stable); reaffirmed
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

To arrive at the rating, ICRA has consolidated the financials of BSREP India Office Holdings V Pte. Ltd (BSREP V), BSREP India Office Holdings III Pte. Ltd (BSREP III), BSREP India Office Holdings IV Pte. Ltd (BSREP IV) and BSREP India Office Holdings Pte. Ltd. (BIOH). BSREP V, BSREP IV and BSREP III have sanctioned debt of \$ 252 million against the pledge of units held by BSREP V, BSREP IV, BSREP III and BIOH in Brookfield India Real Estate Trust (BIRET, rated [ICRA]AAA (Stable)). Further, there are cross default clauses for the loan availed.

The rating reaffirmation factors in the steady consolidated cash flows expected in the form of distribution income from BIRET<sup>1</sup>, a listed office real estate investment trust (REIT), sponsored by the Brookfield Group. This is further supported by the regulatory stipulation of at least 90% of the net distributable cash flows to be distributed to the REIT's unit holders. The company has timely refinanced its outstanding loan of \$ 175 million due in December 2024 with a new loan of \$ 238 million which has a bullet repayment after three years. The rating also derives comfort from the experience and track record of the Brookfield Group, which is one of the world's largest alternative asset managers. In India, Brookfield through its affiliates has an established track record of more than a decade with \$ 10 billion of real estate assets under management.

The rating is, however, constrained by its moderate leverage with net LTV<sup>2</sup> expected to remain in the range of 46-48% as on December 31, 2025. While the consolidated cash inflows are comfortably placed in meeting the operational and interest expenses, the company is exposed to refinancing risk as the outstanding loan of \$ 238 million has a bullet repayment due in November 2027. However, comfort can be drawn from strong financial flexibility and track record of timely refinancing, being a part of the Brookfield Group. The rating is also constrained by limited diversification with the company's revenues entirely dependent on distribution income from BIRET. Any material decline in distribution from BIRET may impact its debt coverage indicators and will remain a key monitorable.

The Stable outlook reflects strong profile of the investee (BIRET) and ICRA's opinion that the company will receive steady distribution income from BIRET with no plans of taking any additional external debt.

<sup>1</sup> BIRET has a diversified office portfolio of assets measuring 28.9 million square feet (msf) of leasable area as on December 31, 2024, which includes completed area of 24.3 msf and under-construction area of 0.7 msf (2.4% of total area)

<sup>2</sup> Net Loan to Value (LTV) – (Total Debt – Cash collateral)/Market value of units in REIT

## Key rating drivers and their description

### Credit strengths

**Steady cash flows from BIRET** – The rating favourably factors in the consolidated cash flows expected in the form of distribution income from BIRET, a listed office real estate investment trust (REIT), sponsored by the Brookfield Group. This is further supported by the regulatory stipulation of at least 90% of the net distributable cash flows to be distributed to the REIT's unit holders.

**Strong parentage lends financial flexibility** – BSREP V is a portfolio company of the Brookfield Group and is a sponsor of BIRET. The Brookfield Group is one of the world's largest alternative asset managers. In India, Brookfield through its affiliates has an established track record of more than a decade with around \$ 10 billion of real estate assets under management. BIRET has a diversified office portfolio of assets measuring 28.9 msf of leasable area, which includes completed area of 24.3 msf and under-construction area of 0.6 msf (2.1% of total area). Its assets are diversified across major cities such as Gurugram, Noida, Mumbai, Delhi, Kolkata and Ludhiana with a reputed and varied tenant mix across sectors.

### Credit challenges

**Moderate leverage levels** – The rating is constrained by its moderate leverage level with net LTV expected to remain in the range of 46-48% as on December 31, 2025. Further, the company is exposed to refinancing risk as the outstanding loan of \$238 million has a bullet repayment due in November 2027. However, comfort can be drawn from the strong financial flexibility and track record of timely refinancing, being a part of the Brookfield Group.

**Limited diversification of revenues** – The company's revenues are entirely dependent on the distribution income from BIRET. Any material decline in distributions from BIRET, or material increase in leverage, is likely to have an adverse impact on the debt coverage indicators.

### Liquidity position: Adequate

The estimated distribution from BIRET is expected to comfortably cover the company's expenses and interest obligations. The loan has a principal bullet repayment due in November 2027. Given the strong financial flexibility, the company is expected to refinance the loan in a timely manner.

### Rating sensitivities

**Positive factors** – The rating could be upgraded if there is material reduction in leverage and significantly higher distribution income from Brookfield India Real Estate Trust resulting in improvement in debt coverage metrics on a sustained basis.

**Negative factors** – The rating could witness a downward revision in case of weakening credit profile of the BIRET, or significant decline in distribution from REIT, or material increase in leverage resulting in weakening of debt protection metrics on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Investment companies</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	NA
Consolidation/Standalone	To arrive at the rating, ICRA has consolidated the financials of BSREP V, BSREP IV, BSREP III and BIOH. BSREP V, BSREP IV and BSREP III together have availed \$ 238 million loan against pledge of units held by BSREP V, BSREP IV, BSREP III and BIOH in BIRET. Further, there are cross default clauses for the loan availed. The list of entities is mentioned in annexure II.

## About the company

BSREP V is a sponsor of BIRET and held 8.9% of the total units of BIRET as on December 31, 2024. It was incorporated in Singapore on June 17, 2014, and is an investment holding company wholly owned by BSREP India office Holding Pte. Ltd., which is ultimately held by the Brookfield Group based in Canada. On a consolidated basis, BSREPIII, BSREP IV, BSREP V and BIOH held 24.3% as on December 31, 2024.

BIRET is a registered trust in Mumbai under SEBI's REIT Regulations, 2014, on September 14, 2020, and listed through a public issue of units. BIRET was India's third commercial office REIT, which was listed on February 16, 2021. As on December 31, 2024, BIRET had a total of 10 SPVs holding 11 assets and one operational service provider with total operational area of 24.3 msf (SEZ: 16.3 msf & non-SEZ: 8 msf) and committed occupancy of 87% (excluding income support). It owns 100% of four SPVs and 50% of six acquired SPVs with the remaining 50% stake at two SPVs held by affiliates of GIC and for the remaining four SPVs held by the Brookfield Group.

## Key financial indicators

Consolidated	CY2023	CY2024
	Audited	Provisional
Operating income	1543.4	220.4
PAT	356.0	843.3
OPBDIT/OI	99.5%	95.8%
PAT/OI	23%	383%
Total outside liabilities/Tangible net worth (times)	0.5	1.0
Total debt/OPBDIT (times)	1.0	9.6
Interest coverage (times)	10.3	1.4

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

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years		
		Amount Rated (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
			March 18, 2025	February 07, 2024	-	-
Issuer rating	Long-term	0.0	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	-

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Issuer rating	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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon R	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Issuer rating	NA	NA	NA	0.0	[ICRA]AA (Stable)

Source: Company

### Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
BSREP India Office Holdings V Pte. Ltd	Rated entity	Full Consolidation
BSREP India Office Holdings III Pte. Ltd	#	Full Consolidation
BSREP India Office Holdings Pte. Ltd.	*	Full Consolidation
BSREP India Office Holdings IV Pte. Ltd	#	Full Consolidation

Source: Company; \*BSREP India Office Holdings Pte. Ltd. holds 100% in BSREP India Office Holdings V Pte. Ltd

#group company which is held 100% by BSREP India Office Holdings Pte. Ltd.

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