

June 16, 2025

## BREP Asia SG L&T Holding (NQ) Pte Ltd: [ICRA]AA (Stable) assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Issuer rating	-	[ICRA]AA (Stable); assigned
Total	-	

\*Instrument details are provided in Annexure I

### Rationale

The assigned rating favourably factors in BREP Asia SG L&T Holdings (NQ) Pte. Ltd.'s (BREP) expected steady cash flows in the form of distribution income from Knowledge Realty Trust, a proposed real estate investment trust (KRT, rated Provisional [ICRA]AAA (Stable)) sponsored by the Blackstone Group and the Sattva Group. This is further supported by the regulatory stipulation prescribed by the Securities & Exchange Board of India (capital market regulator) of at least 90% of the net distributable cash flows to be distributed to the REIT's unit holders. KRT is proposed to have a portfolio of around 48.1 million square feet (msf) of operational and under-construction commercial office assets. ICRA takes note of the Blackstone Group's established track record in the real estate sector and its diversified portfolio in the commercial office industry. The rating draws comfort from BREP's comfortable leverage position as it does not have any external debt on its books as on December 31, 2024.

The rating is, however, constrained by high dependence of BREP's revenues on the distribution income from the Trust. However, KRT's strong credit quality mitigates the risk to an extent. The underlying KRT's assets remain exposed to the inherent cyclicity in the real estate industry and vulnerability to external factors.

The Stable outlook reflects the strong profile of the investee (KRT) and ICRA's opinion that the company will receive stable distribution income from KRT with no current plans of availing any external debt.

### Key rating drivers and their description

#### Credit strengths

**Expected steady cash flows from Knowledge Realty Trust** – BREP is expected to receive steady cash flows in the form of distribution income from KRT (rated Provisional [ICRA]AAA (Stable)) to the extent of its expected unitholding of 10-14%. This is further supported by regulatory stipulation prescribed by the Securities & Exchange Board of India (capital market regulator) of at least 90% of the net distributable cash flows to be distributed to the REIT's unit holders.

**Comfortable leverage position** – BREP's leverage position is comfortable as it does not have any external debt on its books as on December 31, 2024. Over the medium term, its external borrowings are likely to remain negligible/minimal, which will continue to support its credit profile.

**Established track record of sponsor in managing real estate assets** – BREP is a portfolio company of the Blackstone Group and is the co-sponsor of KRT. The Blackstone Group is one of the leading owners of office spaces in India, with a large portfolio of office properties across Bengaluru, Pune, Hyderabad, Mumbai, the National Capital Region (NCR) and Chennai. KRT is proposed to have a portfolio of around 48.1 msf of operational and under-construction commercial office assets. The rating notes the strong parentage of the Blackstone Group and its established track record in the real estate sector and the diversified portfolio in the commercial office industry.

## Credit challenges

**High dependence on distribution from KRT** – BREP’s revenues largely depend on the distribution income from KRT. The company is exposed to risks arising out of its revenue being exposed solely to the cash flows of the underlying Trust. However, KRT’s strong credit quality mitigates the risk.

**Underlying Knowledge Realty Trust assets’ remain exposed to cyclicity in the real estate industry** – The underlying KRT’s assets remain exposed to the inherent cyclicity in the real estate industry and vulnerability to external factors.

## Liquidity position: Adequate

The estimated cash distribution from the Trust are expected to comfortably cover BREP’s expenses. There is no external debt on the company’s books and it has no current plans of availing any external debt. As on December 31, 2024, BREP had free cash balances of USD 0.26 million.

## Rating sensitivities

**Positive factors** – The rating could be upgraded if there is sustained and significantly higher distribution income from Knowledge Realty Trust, while maintain comfortable debt/market value of investments.

**Negative factors** – The rating could witness a downward revision in case of weakening credit profile of Knowledge Realty Trust or significantly lower-than-anticipated distribution from REIT. External indebtedness leading to debt/market value of investments of above 20%, on a sustained basis, could lead to a rating downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Investment Companies</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the company’s standalone financial statements

## About the company

BREP Asia SG L&T Holding (NQ) Pte. Ltd. (BREP) is a portfolio company of Blackstone Inc. (Blackstone), a real estate fund and is a co-sponsor of Knowledge Realty Trust. BREP does not have any operations of its own on a standalone basis. The company was incorporated in Singapore on January 8, 2018.

## Key financial indicators (audited)

Standalone (USD million)	CY2023	CY2024
Operating income	0.0	76.6
PAT	27.6	17.4
OPBDIT/OI	-	94.1%
PAT/OI	-	22.7%
Total outside liabilities/Tangible net worth (times)	0.1	0.1
Total debt/OPBDIT (times)	-13.5	1.1
Interest coverage (times)	-2.4	27.3

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in USD million; 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 (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Jun 16, 2025	Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long term	-	[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 rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Issuer rating	NA	NA	NA	-	[ICRA]AA (Stable)

Source: Company

#### Annexure II: List of entities considered for consolidated analysis – Not Applicable

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## ABOUT ICRA LIMITED

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For more information, visit [www.icra.in](http://www.icra.in)

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