

December 11, 2025

## Brookfield India Real Estate Trust: Rating assigned for proposed NCDs; ratings reaffirmed for existing facilities

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer rating	-	-	[ICRA]AAA (Stable); reaffirmed
Commercial paper**	1,250.0	1,250.0	[ICRA]A1+; reaffirmed
Non-convertible debenture (NCD)^	-	3,500.0	[ICRA]AAA (Stable); assigned
<b>Total</b>	<b>1,250.0</b>	<b>4,750.0</b>	

\*Instrument details are provided in Annexure I; \*\*yet to be placed; ^proposed to be listed

### Rationale

The rating action for Brookfield India Real Estate Trust (BIRET) considers its strong business profile, supported by its diversified portfolio of assets with presence across six cities, healthy committed occupancy levels of 90% as of September 2025 with total operating area of 24.6 million square feet (msf) and reputed tenants with healthy credit profiles. The tenant profile is also diversified, with top ten tenants generating ~34% of gross contracted rentals as of September 2025.

Currently, BIRET is in the process to acquire 100% stake in 7.7 msf commercial asset – Ecoworld, located in Bengaluru. The asset is being acquired from the Brookfield Group at a total acquisition cost of Rs. 13,125 crore to be paid in two tranches. The first tranche (expected to be completed in H2 FY2026) involves a payment of ~Rs. 12,000 crore for 7.1 msf, which is likely to finance through debt (proposed NCDs), new equity raises and existing cash balances. The second tranche of Rs. 1,125 crore pertains to campus 3 (0.7 msf) and will be paid within 18 months. Upon completion of this acquisition, BIRET's total operating area is projected to expand by 31% to 32.3 msf with expected sustenance of committed occupancy of around 91%. Despite expected increase in debt levels due to acquisition of Ecoworld, the leverage will remain comfortable with a loan to asset value (LTV)<sup>1</sup> of around 33.5-34.0% post-acquisition (against LTV of 21.6% as of September 2025). ICRA expects the LTV to remain below 35% and total debt/annualised net operating income (NOI) to be below 5.0 times in the medium term. Backed by comfortable leverage and low repayment obligations, the debt coverage metrics are expected to remain comfortable in the medium term. ICRA will continue to monitor future asset acquisitions by BIRET and their consequent impact on the leverage. However, comfort can be drawn from the track record of the Brookfield Group in managing the assets and the strong financial flexibility of BIRET.

BIRET remains exposed to the inherent cyclicity in the real estate industry and vulnerability to external factors. ICRA notes that the tenant leases contributing to 6% and 15% of the total gross rentals will be due for expiry in H2 FY2026 and FY2027 respectively. The debt coverage indicators remain susceptible to material reduction in occupancy levels. However, the risk is partially mitigated by the reputed tenants with strong businesses, established track record of the Brookfield group in the commercial real estate industry.

ICRA expects that BIRET's credit profile will be supported by REIT regulations that restrict the extent of under-construction assets in the portfolio to less than 20% of the asset value and the cap on leverage at 49% of the asset value.

<sup>1</sup> For LTV calculation, net debt is post accounting and minority adjustments with market value as on September 30, 2025, based on the valuation report

The Stable outlook reflects ICRA's opinion that the Trust will benefit from its large, diversified and stable operational portfolio, the anticipated growth from proposed acquisition of Ecoworld and the expected comfortable financial risk profile.

## Key rating drivers and their description

### Credit strengths

**Well diversified and large portfolio of assets with strong tenant profile** – BIRET's strong business profile is supported by its diversified portfolio of assets with presence across six cities (Gurugram, Noida, Mumbai, Kolkata, Delhi and Ludhiana), healthy committed occupancy levels of 90% as of September 2025 with total operating area of 24.6 msf and reputed tenants having healthy credit profiles. The top ten tenants generated ~34% of the gross contracted rentals as of September 2025. Further, with proposed acquisition of Ecoworld, total operating area is projected to expand by 31% to 32.3 msf with improved geographical diversification and customer concentration. BIRET inherently benefits of REIT regulations that restrict the extent of under-construction assets in the portfolio to less than 20% of the asset value and the cap on leverage at 49% of the asset value.

**Comfortable financial risk profile, despite increase in leverage** – BIRET is in the process to acquire 100% stake in 7.7 msf commercial asset – Ecoworld located in Bengaluru. The asset is being acquired from the Brookfield Group at total acquisition cost of Rs. 13,125 crore to be paid in two tranches. The first tranche (expected to be completed in H2 FY2026) involves a payment of ~Rs. 12,000 crore for 7.1 msf, which is expected to be financed through debt (proposed NCDs), new equity raises and existing cash balances. The second tranche of Rs. 1,125 crore pertains to campus 3 (0.7 msf) and will be paid within 18 months. Despite the expected increase in debt levels due to acquisition of Ecoworld, leverage will remain comfortable with LTV of around 33.5-34.0% post-acquisition (as against LTV of 21.6% as of September 2025). ICRA expects the LTV to remain below 35% and total debt/annualised NOI to be below 5.0 times in the medium term. Backed by comfortable leverage and low repayment obligations, the debt coverage metrics are likely to remain comfortable in the medium term.

**Track record of sponsor and REIT manager** – As on September 30, 2025, Brookfield through its affiliates owns 25.12% of BIRET. The assets housed under BIRET have been historically managed by the management team of Brookprop Management Services Private Limited, which manages Brookfield properties in India, which is also part of 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 more than USD 13 billion of real estate assets under management.

### Credit challenges

**Vulnerability of commercial real estate sector to cyclicity** – BIRET remains exposed to the inherent cyclicity in the real estate industry and vulnerability to external factors. ICRA notes that the tenant leases contributing to 6% and 15% of the total gross rentals will be due for expiry in H2 FY2026 and FY2027 respectively. The debt coverage indicators remain susceptible to any material reduction in occupancy levels. However, the risk is partially mitigated by the reputed tenants with strong businesses, established track record of the Brookfield group in the commercial real estate industry.

## Environmental and social risks

**Environmental considerations** – The real estate segment is exposed to risks of increasing environmental norms impacting operating costs, including higher costs of raw materials such as building materials and cost of compliance with pollution control regulations. Environmental clearances are required for commencement of projects and lack of timely approvals can impact its business operations. The effect of changing environmental regulations on licenses for property development could also create credit risks.

**Social considerations** – The downside social risks faced by REITs like BIRET could be said to be low. The demand for commercial office space, particularly those with good ancillary infrastructure and connectivity has been growing in India as the service economy expands. While there could be societal trends like preference for work-from-home, which could weigh on demand,

on balance, the tailwinds for commercial real estate remain reasonably strong. Further rapid urbanisation and a large working age population will support the demand for commercial real estate in India and benefits REITS like BIRET.

## Liquidity position: Strong

BIRET's liquidity position is supported by stable rental income from the underlying assets and low operational expenditure in the leasing business. Healthy fund flow from operations will be adequate to cover the debt servicing obligations. Additionally, BIRET has cash and bank balances of Rs. 1548 crore (part of which will be utilised towards proposed acquisition) as on September 30, 2025, which supports the liquidity profile.

## Rating sensitivities

**Positive factors** – NA

**Negative factors** – Increase in indebtedness reducing the cushion for LTV of 40%, on a sustained basis, or decline in the committed occupancy to lower than 80% on a sustained basis, may trigger a rating downgrade. Any non-adherence to the debt structure may also lead to a rating downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Real Estate Investment Trusts (REIT)</a>
Parent/Group support	NA
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of BIRET and its subsidiaries (as mentioned in Annexure II)

## About the company

BIRET is registered under SEBI's REIT Regulations, 2014, on September 14, 2020, in Mumbai. It is incorporated as a registered trust and is listed through a public issue of units. BIRET was India's third commercial office REIT, which was listed on February 16, 2021. As on September 30, 2025, BIRET has a total of 10 special purpose vehicles (SPVs) holding 11 assets and one operational service provider with a total operational area of 24.6 msf. It owns 100% of four SPVs and 50% of six acquired SPVs with the remaining 50% stake at 2 SPVs held by affiliates of GIC and for the remaining 4 SPVs held by the Brookfield Group. At present, it is in the process of acquiring 100% of stake in Ecoworld at Bengaluru.

## Key financial indicators

Consolidated	FY2024	FY2025
	Audited	Audited
Operating income	1,789.9	2,390.1
PAT*	-15.3	159.9
OPBDIT/OI	70.1%	72.5%
PAT/OI	-0.9%	6.7%
Total outside liabilities/Tangible net worth (times)	1.1	0.6
Total debt/OPBDIT (times)	9.7	5.2
Interest coverage (times)	1.5	1.6

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; \*including share of profits/Loss from Joint Venture

## Status of non-cooperation with previous CRA: Not applicable

### Any other information:

The company faces prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial covenants, operating covenants and rating linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the rating would face pressure.

### Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Dec 11, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long term	-	[ICRA]AAA (Stable)	Mar 18, 2025	[ICRA]AAA (Stable)	Mar 21, 2024	[ICRA]AAA (Stable)	-	-
				May 24, 2024	[ICRA]AAA (Stable)	Dec 22, 2023	[ICRA]AAA (Stable)	-	-
Commercial paper	Short term	1,250.0	[ICRA]A1+	Mar 18, 2025	[ICRA]A1+	Mar 21, 2024	[ICRA]A1+	-	-
				May 24, 2024	[ICRA]A1+	-	-	-	-
Proposed non-convertible debenture	Long term	3,500.0	[ICRA]AAA (Stable)	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Issuer rating	Not Applicable
Commercial paper	Very Simple
Proposed non-convertible debenture	Simple

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]AAA (Stable)
NA	Proposed commercial paper*	NA	NA	NA	1,250.0	[ICRA]A1+
NA	Non-convertible Debenture^	NA	NA	NA	3,500.0	[ICRA]AAA (Stable)

Source: Company; \*yet to be placed; ^Proposed to be listed

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

Company Name	Ownership of BIRET	Consolidation Approach
Candor Kolkata One Hi-Tech Structures Private Limited	100%	Full Consolidation
Shantiniketan Properties Private Limited	100%	Full Consolidation
Seaview Developers Private Limited	100%	Full Consolidation
Festus Properties Private Limited	100%	Full Consolidation
Candor India Office Parks Private Limited	100%	Full Consolidation
Mountainstar India Office Parks Private Limited	100%	Full Consolidation
Arliga Ecoworld Business Parks Private Limited	100%	Full Consolidation*
Candor Gurgaon One Realty Projects Private Limited	50%	Full Consolidation (management control with BIRET)
Kairos Properties Private Limited	50%	Full Consolidation (management control with BIRET)
Rostrum Realty Private Limited**	50%	Equity (Joint venture with Brookfield Group)

Source: BIRET and ICRA Research; \*expected to be acquired in Q4 FY2026

\*\*Rostrum Realty Private Limited has three wholly owned subsidiaries - Arnon Builders & Developers Private Limited, Oak Infrastructure Developers Private Limited, Aspen Buildtech Private Limited

## ANALYST CONTACTS

**Ashish Modani**

+91 22 6169 3300

[aashish.modani@icraindia.com](mailto:aashish.modani@icraindia.com)

**Anupama Reddy**

+91 40 6939 6427

[anupama.reddy@icraindia.com](mailto:anupama.reddy@icraindia.com)

**Abhishek Lahoti**

+91 40 6939 6433

[abhishek.lahoti@icraindia.com](mailto:abhishek.lahoti@icraindia.com)

**D Mohammed Rabbani**

+91 40 6939 6422

[d.rabbani@icraindia.com](mailto:d.rabbani@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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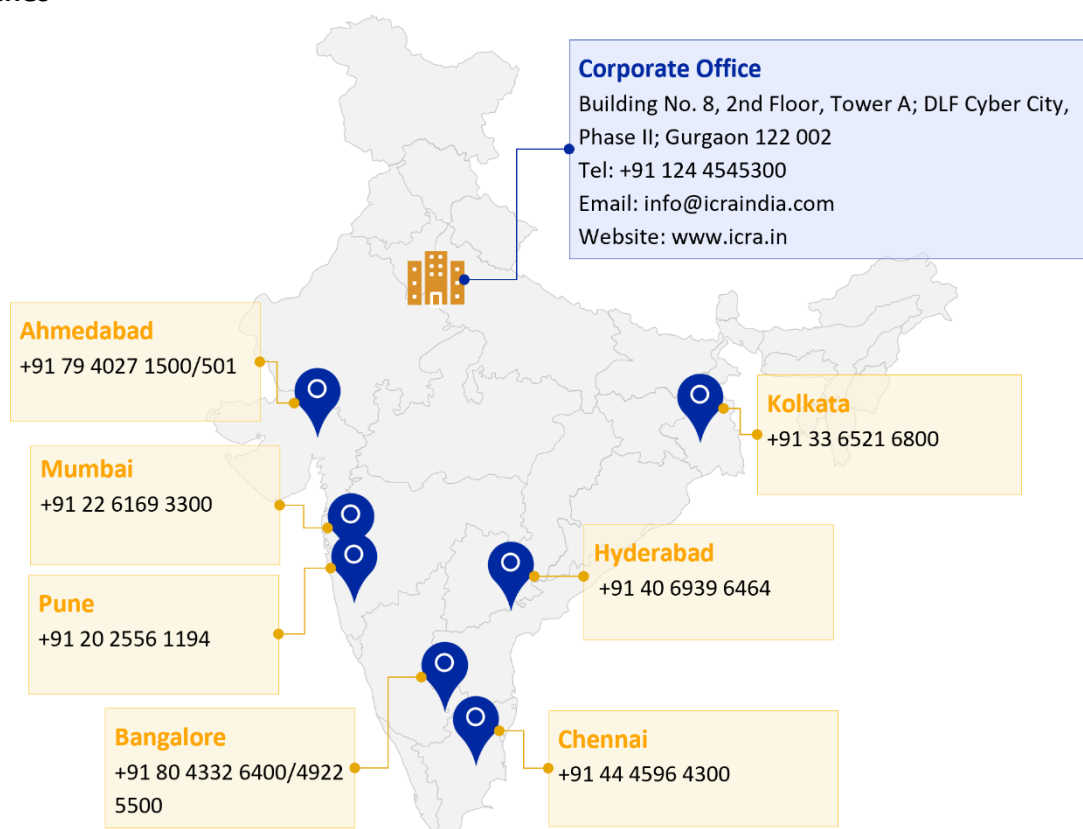
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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