Brookfield India Real Estate Trust — 29 Apr 2025 Credit Rating Summary

Section	Details
Agency	CRISIL Ratings
Rating Change	**Reaffirmed** (CRISIL AAA / CRISIL A1+); Notches: 0
Outlook (Current vs Previous)	**Stable vs. Stable** (Note: Outlook was 'Negative' in 2023/early 2024; shifted to 'Stable' following successful deleveraging).
Key Drivers of Change	1. **Massive Deleveraging:** Raised ₹3,500 Cr equity to prepay debt, slashing LTV from 34.5% (Sep-24) to **24.7%** (Dec-24). 2. **Revenue Surge:** 9M FY25 Revenue grew **64% YoY** (including RRPL assets), driven by Bharti portfolio acquisition and higher occupancy. 3. **Leasing Momentum:** Committed occupancy improved to **87%** (from 80% YoY) via SEZ Act amendments allowing conversion to non-processing areas. 4. **Operating Efficiency:** NOI rose **59%** to ₹1,667 Cr (9M FY25); NOI margins remain robust at ~80%.
Rated Instruments	1. **Corporate Credit Rating:** ₹0 Cr, CRISIL AAA/Stable 2. **Commercial Paper:** ₹1,250 Cr, CRISIL A1+
Key Observations	**Strengths:** • High-quality portfolio of 243.4 lakh sq ft across prime hubs (Mumbai, NCR, Bengaluru). • Significant LTV headroom (24.7% actual vs. 40% CRISIL threshold). • Strong sponsor backing (Brookfield) and superior liquidity (₹500 Cr cash + ₹118 Cr DSRA). **Risks:** • **Concentration:** 61% of rentals from Tech (36%) and BFSI (25%) sectors. • **Renewal Risk:** ~32% of leases expire in the next 2-3 years. • **Acquisition Risk:** Evaluating Bengaluru assets which may push LTV back up to 33-35%.
Investor Impact	• **Yield Accretion:** Lower debt interest costs post-repayment likely to boost Net Distributable Cash Flow (NDCF). • **Growth Runway:** Low LTV provides ~₹4,000–5,000 Cr debt headroom for acquisitions without credit pressure. • **Occupancy Upside:** Target 87-89% occupancy by FY25-end signals rental growth potential.
Agency / Cross Analysis	**Same Agency (CRISIL):** Significant trajectory change. In 2023, the outlook was 'Negative' due to high leverage from acquisitions. This 2025 review confirms a full recovery to 'Stable' based on the ₹3,500 Cr equity cushion. Financials (NOI/Revenue) have scaled faster than debt, aligning the rating with a much stronger balance sheet.
Final Inference	**Real Fundamental Improvement.** The transition from 'Negative' (2023) to 'Stable' (2025) backed by a 1,000bps drop in LTV makes BIRET a "fortress" balance sheet play. The primary equity risk is now execution on future Bengaluru acquisitions.