

Bagmane Prime Office REIT

December 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Issuer rating	0.00	Provisional CARE AAA; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rating in the absence of pending steps/ documents	No rating can be assigned
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Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has assigned provisional rating to Bagmane Prime Office REIT (Bagmane REIT), sponsored by Bagmane Group through Bagmane Realty and Infrastructure LLP (BRILLP). Bagmane Realty Investment Manager Private Limited (BRIMPL) will act as the investment manager. The REIT will acquire three special purpose vehicles (SPVs) comprising six office assets (completed and under-construction), three operational solar assets, one solar asset under-construction and two hotels under-construction.

Provisional issuer rating assigned to Bagmane REIT derives strength from the Bagmane group's extensive experience in real estate and its established presence in Bengaluru's commercial office market. The portfolio proposed to be transferred to REIT comprises six Grade-A office assets with a completed leasable area of 16.1 million sq. ft (msf) and operational solar capacity of 91.9 MW DC. As on June 30, 2025, occupancy stood at 95%, driven by marquee tenants, including foreign multinational companies (MNCs) and global capability centers (GCCs), ensuring strong collection efficiency. Another four office assets with a combined leasable area of ~3.5 msf, two hotels with 607 keys and one solar power plant with 72.5 MW DC capacity are under construction and future development.

The rating also draws comfort from strong financial risk management, characterised by low net debt to gross asset value (GAV), comfortable debt to earnings before interest, taxes, depreciation, and amortisation (EBITDA) and cash coverage ratio (CCR). CareEdge Ratings also considers debt-funded capital expenditure in the medium term. Restrictions under Securities and Exchange Board of India (SEBI) regulations, which limit the share of under-construction assets to less than 20% and net debt /GAV to under 49%, enhance credit protection.

These strengths outweigh the exposure to execution and marketing risks for upcoming projects, geographical concentration of proposed portfolio and inherent cyclicity of real estate and hospitality sectors.

This rating is provisional and will be confirmed once the REIT has completed following steps to the satisfaction of CareEdge Ratings:

- (i) Acquisition of identified assets by the REIT.
- (ii) Listing of REIT and issuance of units in line with the proposed capital structure.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Not applicable

Negative factors

- Net debt/GAV of over 35%.
- Consolidated net debt/EBITDA of over 5.5x on a sustainable basis.
- Significant delay in completion and leasing of under-construction assets impacting the credit profile of Bagmane REIT.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Consolidated

Bagmane REIT's analysis is carried out on a consolidated basis, covering its proposed subsidiaries listed in Annexure-6. The consolidated approach is taken considering Bagmane REIT will have direct control over special purpose vehicles (SPVs). Per the REIT Regulations, 2014, maximum borrowing by the REIT has been defined at a consolidated level (equivalent to 49% value of the Bagmane REIT's assets).

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that Bagmane REIT will continue to maintain strong debt protection metrics, aided by steady occupancy levels at favourable rates.

Detailed description of key rating drivers:**Key strengths****Established track record of REIT sponsor**

Bagmane Group will be the sponsor of Bagmane REIT through Bagmane Realty & Infrastructure LLP (BRILLP) and has nearly three decades of experience in developing and leasing Grade-A commercial office spaces in Bengaluru. It has delivered multiple Grade-A IT parks and office spaces, strengthening its market position. Till date, the group has developed and leased ~28 million square feet (msf) of office space (Bagmane's share: ~23 msf), while ~7 msf (Bagmane's share: ~6 msf) is under construction. The group has also diversified into renewable energy with operational solar projects totalling 134.80 MW DC and under construction of 112.5 MW DC capacity. It is also developing two hotels with a combined inventory of 607 keys. The REIT is expected to benefit from strong and experienced sponsor, which is likely to support sustained leasing momentum and operational stability in the medium term.

Stable revenue owing to strong portfolio proposed to be transferred to Bagmane REIT

Bagmane REIT will include three SPVs comprising commercial office spaces, hospitality and solar power plants. The commercial portfolio spans 19.6 msf, including 16.1 msf completed, 1.5 msf under construction, and 2 msf proposed development as on June 30, 2025. It also includes three operational solar plants with a combined capacity of 91.9 MW DC, one under-construction solar plant of 72.5 MW DC, and two hotels under construction with 607 keys. Operational office space had healthy occupancy of 95% and committed occupancy of 98% as of June 30, 2025. Consolidated revenue of SPVs for FY25 stood at ~₹2,400 crore. CareEdge Ratings expects revenue to grow in the near term, driven by higher occupancy, rental escalations, and incremental income from under-construction assets. The portfolio benefits from strong tenant credit profiles, with over half of the leasable area occupied by Fortune 500 companies. A weighted average lease expiry (WALE) of 7.3 years provides long-term revenue stability.

Strong debt protection metrics

The proposed REIT on a proforma basis has maintained a comfortable leverage profile as net debt/EBITDA stood below 2x in FY25, providing adequate headroom for additional financing, if required. CareEdge Ratings expects Net debt/GAV and Net Debt/EBITDA to remain under 25% and 2x, respectively, in the near to medium term. Bagmane REIT is expected to maintain a strong and healthy CCR throughout the debt tenure, aided by growing rental income and controlled leverage. These expectation factors in additional financing requirements for construction and working capital at underlying SPVs.

Key weaknesses**Execution risk associated with under-construction assets**

The proposed REIT plans to incur a capex of ~₹3,500 crore on a consolidated basis, under proposed SPVs, in the near-to-medium term, which is likely to be funded through debt. While execution risk will persist to complete the project on time, comfort is drawn from Bagmane Group's successful track record in executing such projects. Timely leasing at envisaged rates will be a key monitorable.

Geographic concentration risk

Proposed Bagmane REIT faces geographic concentration risk as its entire proposed portfolio is in Bengaluru. Any adverse developments or demand slowdown in this micro-market could significantly impact rentals and occupancy.

Inherent risk associated with cyclical real estate industry

The SPVs are exposed to the cyclicity associated with the real estate sector, which has direct linkage with general macroeconomic scenario and interest rates. Rental collection remains susceptible to economic downturns, which may constrain the tenant's business risk profile, and therefore, limit occupancy and rental rates. Any adverse impact on leasing demand in Bengaluru's micro-market will also remain monitorable.

Liquidity: Strong

Bagmane REIT's strong liquidity position will be supported by strong debt coverage indicators. Restrictions imposed under REIT regulations in terms of undertaking under-construction projects will limit the cash outflow towards the capex. Consolidated cash and cash equivalents of all proposed SPVs under Bagmane REIT stood at ~₹190 crore as on June 30, 2025.

Environment, social, and governance (ESG) risks: Not applicable**Applicable criteria**

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[Consolidation](#)

[Definition of Default](#)

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[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

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Validity of provisional rating:

Provisional rating shall be converted into a final rating after receipt of transaction documents duly executed/ completion of mentioned steps within 90 days from the instrument's date of issuance. An extension of 90 days may be granted on a case-to-case basis in line with CareEdge Ratings' Policy on Assignment of Provisional Ratings.

Risks associated with provisional nature of credit rating:

When a rating is assigned pending execution of certain critical documents or steps to be taken, it is a 'Provisional' rating indicated by prefixing 'Provisional' before the rating symbol. On execution of critical documents to the satisfaction of CareEdge Ratings, the final rating is assigned. In absence of documents/ completion of steps or where such documents deviate significantly from those considered, provisional rating will be reviewed in line with the Policy on Assignment of Provisional Ratings.

Details about REIT:

Details of assets proposed to be held by REIT	The following assets are proposed to be held by Bagmane REIT: <ul style="list-style-type: none"> • Bagmane Developers Private Limited which owns Bagmane Tech Park, Bagmane World Technology Centre, Bagmane Constellation Business Park, Bagmane Cosmos Business Park. Additionally, BDPL plans to acquire Tower Luxor at Bagmane Capital Tech Park. These assets will have a completed leasable area of 18.5 msf, under-construction and proposed development of 3.5 msf, and two under-construction hotels comprising 607 keys. • Bagmane Rio Private Limited which owns Bagmane Rio Business Park with leasable area of 1.1 msf; and • Bagmane Green Power LLP which owns solar power assets with the operational capacity of 91.9 MW DC and an additional 72.5 MW DC under-construction.
Proposed Capital Structure	Maximum borrowing will not be over 49% value of the Bagmane REIT's assets.
Undertaking taken by CareEdge Ratings from the sponsor stating key assumptions (relating to assets, capital structure, among others) are in consonance with details filed by the sponsor with SEBI	Yes

About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Real estate investment trusts (REITs)

Bagmane REIT (Reg. No.: IN/REIT/25-26/0007) is registered as an irrevocable trust under the Indian Trust Act, 1882 and as a REIT under SEBI (Real Estate Investment Trusts) Regulations, 2014 on July 15, 2025. Proposed Bagmane REIT will be sponsored by BRILLP (part of the Bagmane Group). The portfolio is proposed to have six operational commercial offices comprising of 16.1 msf of completed leasable area, 1.5 msf of under-construction and 2 msf of proposed development as on June 30, 2025. The portfolio will also have three operational solar power plant with 91.9 MW DC capacity, one under-construction solar with 72.5 MW DC capacity and under-construction hotel of 607 keys.

Brief Financials: Not applicable, since Bagmane REIT was formed on July 15, 2025.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Issuer Rating-Issuer Ratings	-	-	-	-	0.00	Provisional CARE AAA; Stable
Rating in the absence of the pending steps/documents	-	-	-	-	0.00	No Ratings Can Be Assigned

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Issuer Rating-Issuer Ratings	LT	0.00	Provisional CARE AAA; Stable				
2	Rating in the absence of the pending steps/documents	LT	0.00	No Ratings Can Be Assigned				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated: Not applicable

Annexure-5: Lender details: Not applicable

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation*	Rationale for consolidation
1	Bagmane Developers Private Limited	Full	Operational and financial linkages
2	Bagmane Rio Private Limited	Full	
3	Bagmane Green Power LLP	Full	

*After acquisition, these SPVs are proposed to become subsidiary of Bagmane REIT.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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