

## Bagmane Prime Office REIT

June 15, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Issuer rating	0.00	CARE AAA; Stable	Final Rating Confirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has finalised the rating assigned to Bagmane Prime Office REIT (Bagmane REIT), sponsored by Bagmane Group through Bagmane Realty and Infrastructure LLP (BRILLP). The finalisation follows the completion of acquisition of identified assets by the Bagmane REIT, its listing and issuance of units in line with the proposed capital structure considered during provisional rating assignment. Assumptions regarding assets proposed for transfer to Bagmane REIT, as disclosed to CareEdge Ratings, are in consonance with details filed by the sponsor under the Final Offer Document with the Securities and Exchange Board of India (SEBI).

The final rating confirmed 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. Post listing, the real estate investment trust (REIT) holds a strong portfolio comprising six Grade-A office assets with a total leasable area of 19.6 million sq. ft (msf). This includes 16.6 msf of completed area, 1 msf under-construction area and 2 msf of planned development. The portfolio also includes two under-construction hotels with a total of 607 keys and four solar power projects (three operational and one under-construction) with an aggregate annual capacity of 164.4 MW (DC), of which 91.9 MW (DC) was operational as of December 31, 2025.

As on December 31, 2025, committed occupancy of commercial office spaces stood strong at ~99%, driven by marquee tenants, including foreign multinational companies (MNCs) and global capability centres (GCCs), ensuring strong collection efficiency. Bagmane REIT also holds the right of first offer (ROFO) on 11 assets, aggregating 47.1 msf of expected leasable area or development potential across Bengaluru, Chennai, and Delhi.

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 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 refinancing risk associated with debt instruments and term loans with bullet repayment, to be raised at REIT and special purpose vehicles (SPVs) level. The REIT also remains exposed to execution and marketing risks for upcoming projects, geographical concentration of portfolio, and inherent cyclicity of real estate and hospitality sectors.

### 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.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Analytical approach:** Consolidated

Bagmane REIT's analysis is carried out on a consolidated basis, which includes its subsidiaries mentioned under Annexure-6. The consolidated approach is taken, considering Bagmane REIT has direct control over SPVs. Per 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 is the sponsor of Bagmane REIT through BRILLP and has nearly three decades of experience in developing and leasing Grade-A commercial office spaces in Bengaluru. The group has delivered multiple Grade-A IT parks and office spaces, strengthening its market position. Till date, the group has developed and leased 29.7 msf of office space (Bagmane's share: 24.5 msf), while another 6.5 msf (Bagmane's share: 5.7 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 under the REIT. 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.

**Strong portfolio and tenant profile of the Bagmane REIT**

Post listing, Bagmane REIT's asset portfolio comprises commercial office spaces, hospitality, and solar power projects. It holds six Grade-A office assets with a total leasable area of 19.6 msf. This includes 16.6 msf of completed area, 1 msf under-construction area and 2 msf of planned development. The portfolio also includes two under-construction hotels with a total of 607 keys and four solar power projects (three operational and one under-construction) with an aggregate annual capacity of 164.4 MW (DC), of which 91.9 MW (DC) was operational as of December 31, 2025. Committed occupancy of commercial office spaces stood strong at ~99% as on December 31, 2025. Per special purpose combined financial statements of the REIT and its SPVs, consolidated revenue from assets transferred to the REIT in FY25 and 9MFY26 stood at ~₹2,371 crore and ₹1,943 crore, respectively. 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 7.4 years provides long-term revenue stability.

**Strong debt protection metrics**

Bagmane REIT maintains a strong leverage profile with post-listing net debt to GAV below 5% and net debt to EBITDA below 2x, providing adequate headroom for additional financing, if required. The REIT is expected to raise debt at REIT and SPVs level in the near-to-medium term to fund construction and working capital requirements. While this is likely to result in a moderation of leverage metrics, net debt to GAV and net debt to EBITDA are expected to remain within comfortable levels of below 25% and 2x, respectively. It is also expected to maintain a strong and healthy CCR throughout the debt tenure, aided by growing rental income and controlled leverage. However, the amount and structure of additional debt will remain a key monitorable.

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

The REIT plans to incur a capex of ~₹3,600 crore on a consolidated basis 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.

**Refinancing risk**

The REIT plans to raise debt instruments and term loans with amortising and non-amortising structure, exposing it to refinancing risk. However, the risk is likely to be mitigated to an extent by a staggered maturity profile, availability of a steady pool of cash flows through upstreaming of funds from underlying SPVs, and high financial flexibility. Timely refinancing of debts will remain monitorable from a credit rating perspective.

**Geographic concentration risk**

Bagmane REIT faces geographic concentration risk as the entire portfolio is concentrated in Bengaluru. Adverse developments or demand slowdown in this micro-market could significantly impact rentals and occupancy. However, the risk is partly mitigated by the REIT's ROFO on 11 assets, aggregating 47.1 msf of expected leasable area or development potential across Bengaluru, Chennai, and Delhi.

**Inherent risk associated with cyclical real estate industry**

SPVs are exposed to the cyclical nature 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. Adverse impact on leasing demand in Bengaluru's micro-market will also remain monitorable.

**Liquidity:** Strong

Bagmane REIT's liquidity is strong owing to strong debt coverage indicators, aided by minimal interim principal payments. While bullet repayment of planned debt exposes it to refinancing risk, Bagmane REIT's low debt/GAV allows ample headroom to raise additional debt, including raising lease rental discounting (LRD) loans in SPVs from banks. 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 ~₹285 crore as on December 31, 2025.

**Assumptions/Covenants:** Not applicable**Environment, social, and governance (ESG) risks:**

**Environment:** Bagmane REIT is committed to minimising its environmental footprint by embedding sustainable practices across its operations, with a focus on energy efficiency, emissions reduction, water conservation, waste management, and biodiversity. The REIT has made significant progress in renewable energy adoption through solar power projects with a total planned capacity of 164.4 MW (DC), of which 91.9 MW (DC) is operational, and 72.5 MW (DC) is under construction, expected to be completed by May 2026. This transition is projected to meet over 80% of its portfolio's energy needs based on 2025 consumption levels. In addition, Bagmane REIT implements advanced water management systems, including rainwater harvesting, water recycling through sewage treatment plants, and efficient landscaping, with a goal to achieve water positivity by 2030. It also prioritises waste reduction and aims for zero waste to landfill by 2030. Sustainable construction practices and responsible supplier screening, where 100% of new suppliers were evaluated against environmental criteria in FY25, further strengthen its environmental management. Biodiversity efforts are reflected in initiatives, such as planting 943 trees in FY25 with a 100% survival rate.

**Social:** Fostering employee development, diversity, and community engagement. Bagmane REIT invests in its workforce through structured training programs covering technical and behavioural skills. It also promotes an inclusive and equitable workplace culture by encouraging diversity and ensuring fairness within its systems. Through continuous stakeholder engagement and community initiatives, Bagmane REIT aims to create long-term social value while strengthening its organisational culture and employee capabilities.

**Governance:** Governance framework is led by a Board of Designated Partners that provides strategic oversight and ensures alignment with stakeholder interests. To enhance focus and effectiveness in key areas, the Board has established specialised committees, including the ESG Committee, Corporate Social Responsibility (CSR) Committee, and Risk Committee. These structures support robust decision-making, reinforce accountability, and ensure that sustainability and risk considerations are integrated into the organisation's overall governance approach.

**Applicable criteria**[Consolidation](#)[Definition of Default](#)[Issuer Rating](#)[Liquidity Analysis of Non-financial sector entities](#)[Rating Outlook and Rating Watch](#)[Financial Ratios – Non financial Sector](#)[Real Estate Investment Trusts \(REITs\)](#)

## 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; Market cap of ₹35,159 crore as on June 09, 2026) 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. Bagmane REIT is sponsored by BRILLP (part of the Bagmane Group) and Bagmane Realty Investment Manager Private Limited is the investment manager. Post listing, Bagmane REIT's portfolio comprises of six Grade-A office assets with a total leasable area of 19.6 msf. This includes 16.6 msf of completed area, 1 msf of under-construction area and 2 msf of future development area. The portfolio also includes two under-construction hotels with a total of 607 keys and four solar power projects (three operational and one under-construction) with an aggregate annual capacity of 164.4 MW (DC), of which 91.9 MW (DC) was operational as of December 31, 2025.

Combined Brief Financials (₹ crore)*	March 31, 2024	March 31, 2025	December 31, 2025
	(12M, A)	(12M, A)	(9M, A)
Total operating income	2,205.37	2,370.75	1,942.94
PBILDT#	1,709.80	1,886.55	1,613.24
Profit after tax (PAT)	809.36	897.10	829.02
Overall gearing (x)	3.15	2.36	1.12
Interest coverage (x)	4.84	4.79	6.42

A: Audited; Note: These are latest available financial results.

\*Per special purpose combined financial statements of Bagmane REIT and its SPVs.

#PBILDT: Profit before interest, lease rentals, depreciation, and tax

**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	CARE AAA; Stable

**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 2026-2027	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
1	Issuer Rating-Issuer Ratings	LT	0.00	CARE AAA; Stable	-	1)Provisional CARE AAA; Stable (29-Dec-25)	-	-

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	

**Annexure-7: List of facilities/instruments and FSRs**

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments <sup>2</sup>
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI

<sup>2</sup>SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments <sup>2</sup>
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

\* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**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.

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