

November 20, 2025

Brigade Enterprises Limited: [ICRA]A1+ assigned for proposed commercial papers; ratings reaffirmed for existing limits

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|------------------------------------|--------------------------------------|-------------------------------------|-------------------------------|
| Long-term Fund-based – Term loan | 2405.00 | 2423.00 | [ICRA]AA (Stable); reaffirmed |
| Short-term – Fund based – CC/OD | 250.00 | 350.00 | [ICRA]A1+; reaffirmed |
| Long-term – Unallocated limits | 345.00 | 227.00 | [ICRA]AA (Stable); reaffirmed |
| Short-term – Commercial paper (CP) | - | 200.00 | [ICRA]A1+; assigned |
| Total | 3,000.00 | 3,200.00 | |

**Instrument details are provided in Annexure I*

Rationale

The rating action for Brigade Enterprises Limited (BEL) reflects its established position in Indian Real Estate sector, with presence across residential, commercial office and hospitality segment; its healthy operating metrics with occupancies of over 90% in office space and collections of over Rs 6,000 crore expected in the residential segment; and its comfortable financial profile with modest (less than Rs 100 crore) debt in residential segment and moderate leverage (debt/NOI) of below 5 times in office segment.

The adequacy ratio for the residential segment stood healthy at 100% as of September 2025 (95% as of March 2025). Further, the rentals from the leasing segment are likely to remain robust at Rs. 1,250-1,300 crore in FY2026 (PY: Rs. 1,197.0 crore) driven by the healthy occupancy levels of the office and retail segments at 93% and 91% respectively, as of September 2025, along with scheduled escalation of rentals. With improvement in ARR levels and occupancy levels, the RevPAR of the hospitality segment improved by 11% YoY in H1 FY2026 and is expected to remain healthy in FY2026. Consequently, the cash flow operations are estimated to remain healthy resulting in leverage of less than 2.25 times in the medium term.

As on September 30, 2025, BEL has limited debt against its residential and hospitality segment (1% each of total external debt), aided by healthy cash flows in the residential segment and de-leveraging (done via the IPO proceeds of Brigade Hospitality Ventures Limited) in its hospitality segment. The leasing segment (operational and under-construction) contributed to around 98% of its external debt, of which majority of its debt are long term in nature with 12-14 months tenure. The rating favourably factors in the Brigade Group's established position in the Bengaluru market and diversified operations across various segments, including residential, commercial, retail and hospitality.

The rating strengths are partially offset by the Group's geographical concentration risk as Bengaluru accounts for 79% of the saleable area in the ongoing real estate projects as on March 31, 2025 and 51% of leasing segment revenue in FY2025, which exposes it to any region-specific downturn in demand. While majority of the upcoming projects in the near term are expected to be launched in Bengaluru market; over the next 12-18 months, the company also plans to launch multiple projects in other key markets, namely Chennai and Hyderabad, which should improve the geographical diversification over the medium to long term. The company is also exposed to execution risk and market risk arising from its significant expansion plans in the ongoing and upcoming projects in its real estate, commercial and hospitality segment, in order to sustain its growth momentum and enhance its market presence in its key markets. ICRA takes note of the residual market risk towards the vacant area of 0.71 million square feet (msf) (8% of total operational office space) in its completed commercial portfolio as on September 30, 2025. The credit profile remains exposed to the cyclicity risk inherent in residential and commercial real estate business and

vulnerability of the hospitality sector to external exogenous shocks. Nevertheless, ICRA takes comfort from the company's track record in the residential and commercial real estate segment and the hospitality segment.

The Stable outlook on the long-term rating reflects ICRA's opinion that BEL will maintain healthy sales and collections in the real estate segment, strong occupancy levels for the leasing segment, along with improvement in the performance of the hospitality segment translating to a comfortable leverage.

Key rating drivers and their description

Credit strengths

Established position in real estate market with segment diversification – BEL is one of the leading real estate developers in South India. It has completed and delivered a total area of more than 100 msf, comprising 300+ residential, commercial and hospitality projects. The company has established itself as one of the major diversified real estate developers in Bengaluru, generating revenue from three segments, sale of residential and commercial real estate projects, lease income from the owned commercial property (office and retail) and income from hospitality projects. The company's recent launches as well as upcoming launches in the other key markets, viz. Chennai and Hyderabad enables geographical diversification in the near term. The diversification in the revenues and cash flows allows the Group to offset the challenges associated with the cyclicity in these sectors, to some extent. BEL has a good brand equity, which supports the saleability of its residential real estate projects.

Healthy performance in residential real estate segment; expected to sustain in FY2026 – In H1FY2026, the company's pre-sales improved by 8% YoY to Rs. 3,152.0 crore (FY2025 – Rs. 7847.0 crore) driven by an increase in average selling price along with modest uptick in the area sold by 1% YoY at 2.85 msf. As a result, BEL's collections improved by 4% YoY to Rs. 2,776.0 crore in H1 FY2026. It is estimated to increase to around Rs. 6,600 – 6,800.0 crore in FY2026 (PY: Rs. 5412.0 crore) supported by healthy committed sales for the ongoing projects, adequate construction progress and strong launch pipeline. Further, the Group's adequacy ratio stood healthy at 100% as on September 30, 2025 (95% as on March 31, 2025), reflecting sufficient cash flow visibility from the pre-sales and low funding risk. Healthy cash flows from the residential real estate projects have enabled low reliance on external debt as on September 30, 2025.

Healthy operational metrics in leasing and hospitality segment – The overall occupancy of the commercial office and retail segment continued to be healthy at 93% and 91% respectively, as on September 30, 2025. Further, the occupancy levels of the leasing segment are expected to remain healthy in the near term. With improvement in ARR levels and occupancy levels, the RevPAR of the hospitality segment improved by 11% YoY in H1FY2026. Supported by sustained demand traction, the hospitality segment witnessed healthy performance in H1 FY2026, which is likely to continue in H2 FY2026.

Credit challenges

High dependence on Bengaluru real estate market – BEL's dependence on the Bengaluru real estate market is high with (~79% of saleable area in the ongoing real estate segment projects as on March 31, 2025 and 51% of the leasing segment revenue in FY2025), which exposes it to any region-specific downturn in demand. Majority of the upcoming launches planned in the near term across the three segments are expected to be in Bengaluru. The company plans to introduce multiple projects in other key markets, namely Chennai and Hyderabad, in the near term, which is expected to improve the geographical diversification over the medium to long term. However, the extent of scale-up in these territories and their contribution to the consolidated sales mix will remain a key monitorable.

Exposure to execution and market risks – To sustain its growth momentum and strengthen its presence in the key markets, the company has significant plans of expanding its ongoing portfolio under the residential real estate sector with launch of 5-7 msf of saleable area in H2FY2026, exposing it to execution and market risks. Further, BEL is exposed to execution risk in its upcoming commercial projects (with leasable area of around 3-4 msf in the near term) and its ongoing commercial projects, wherein it is yet to incur around 68% of the project cost as of September 2025. BEL is also exposed to market risk towards the vacant area in the completed commercial projects and the ongoing and upcoming launches in the medium term. In the

hospitality segment, it plans to construct nine new hotels with around 1,700 keys in the medium to long term, exposing it to execution risk. Nevertheless, ICRA takes comfort from the company's established track record in the residential, commercial real estate segment and the hospitality segment. Moreover, company's moderate leverage provides cushion and financial flexibility to mitigate some impact of cyclical downturn in the respective segments.

Cyclicality inherent in real estate sector – The company remains exposed to the inherent cyclicality in the real estate industry, such as declining property prices, a slowdown in economy and reduction in housing demand. Further, the hospitality and leasing segments are exposed to risks arising from the cyclicality in the sector and vulnerability to exogenous shocks, which could impact the cash flows. Nonetheless, ICRA takes comfort from the company's track record in the residential and commercial real estate segment and hospitality segment.

Environmental and social risks

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

Social considerations – In terms of social risks, the trend following the pandemic has been favourable to residential real-estate developers as demand for quality home with good social infrastructure has increased. Further, rapid urbanisation and a high proportion of workforce population (aged 25-44 years) will support the long-term demand for the real estate sector in India.

Liquidity position: Strong

The company's liquidity profile is strong, with free cash and liquid investments of around Rs. 1,299.0 crore as on September 30, 2025 and undrawn bank debt levels (including undrawn LRD debt) of around Rs. 1,250 crore. BEL's consolidated debt repayments in FY2026 are expected to be around Rs. 250-300 crore each during H2FY2026 and FY2027, which can be comfortably met from its cash flow from operations. Further, it is expected to incur a capex of around Rs. 600 – 650 crore in FY2026 towards the commercial office and hospitality division, which is likely to be met by a mix of debt funding and internal accruals.

Rating sensitivities

Positive factors – The ratings may be upgraded, if the company is able to significantly improve its sales and collections along with materially improve its geographical diversification in the residential segment, along with maintaining strong leasing levels in the commercial segment and occupancy levels in the hospitality segments, resulting in robust and sustainable improvement in cash flows from operations, leverage levels and liquidity.

Negative factors – Any significant weakening of sales velocity and collections in the residential segment, and/or any increase in vacancy in the leasing portfolio, and/or considerable debt-funded investments in new projects resulting in weakening of leverage metrics or liquidity position, on a sustained basis, may lead to a rating downgrade. Specific trigger for a rating downgrade, includes Total Debt to CFO, at the consolidated level, remaining above 2.5 times on a consistent basis.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology Realty – Commercial/Residential/Retail Realty – Lease Rental Discounting (LRD) Rating Methodology – Hotels |
| Parent/Group support | Not Applicable |
| Consolidation/Standalone | For arriving at the ratings, ICRA has considered the consolidated financials of BEL and its subsidiaries, given the close business, financial and managerial linkages among them. The list of companies are given in Annexure II. |

About the company

BEL, a real estate development company, is promoted by Mr. M. R. Jaishankar and his family. The Brigade Group has completed and delivered a total area of more than 100 msf, comprising over 300+ residential, commercial and hospitality projects. The company has established itself as one of the major diversified real estate developers in Bengaluru. Though BEL's operations are concentrated in Bengaluru, it is developing projects in Chennai, which is emerging as the second-largest market for the company and a few other projects in Hyderabad, Mysore, Kochi, and GIFT City. It is developing 27.0 msf (BEL's share – 21.2 msf) of real estate projects (by saleable area) as on September 30, 2025. In the leasing segment, the Group has 8.1 msf and 1.31 msf of completed office assets and retail malls respectively. Further, in the hospitality segment, the Group has nine operational hotels with 1,604 keys.

Key financial indicators (audited)

| Consolidated | FY2024 | FY2025 | H1 FY2026 |
|--|--------|---------|-----------|
| Operating income | 4896.7 | 5,074.2 | 2664.5 |
| PAT | 401.0 | 680.5 | 328.8 |
| OPBDIT/OI | 24.4% | 27.9% | 24.5% |
| PAT/OI | 8.2% | 13.4% | 12.3% |
| Total outside liabilities/Tangible net worth (times) | 3.9 | 2.7 | 2.3 |
| Total debt/OPBDIT (times) | 4.6 | 3.9 | 4.1 |
| Interest coverage (times) | 2.4 | 2.9 | 3.1 |

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Instrument | Type | Current rating (FY2026) | | | | Chronology of rating history for the past 3 years | | | | | |
|---|------------|--------------------------|-------------------|-------------------------|-------------------|---|--------------------|-------------------------|--------------------|-------------------------|---------------------|
| | | Amount rated (Rs. crore) | Nov 20, 2025 | Date & rating in FY2026 | | Date & rating in FY2025 | | Date & rating in FY2024 | | Date & rating in FY2023 | |
| | | | | Date | Ratings | Date | Rating | Date | Rating | Date | Rating |
| Term loans | Long-term | 2423.00 | [ICRA]AA (Stable) | July 31, 2025 | [ICRA]AA (Stable) | Sep 24, 2024 | [ICRA]AA- (Stable) | Mar 22, 2024 | [ICRA]AA- (Stable) | Mar 31, 2023 | [ICRA]A+ (Positive) |
| | | | | | | - | - | May 19, 2023 | [ICRA]AA- (Stable) | Nov 18, 2022 | [ICRA]A+ (Positive) |
| Cash credit (CC)/ Overdraft (OD) | Long-term | - | - | - | - | Sep 24, 2024 | [ICRA]AA- (Stable) | Mar 22, 2024 | [ICRA]AA- (Stable) | Mar 31, 2023 | [ICRA]A+ (Positive) |
| | | | | | | - | - | May 19, 2023 | [ICRA]AA- (Stable) | Nov 18, 2022 | [ICRA]A+ (Positive) |
| Cash credit (CC)/ Overdraft (OD) | Short-term | 350.00 | [ICRA]A1+ | July 31, 2025 | [ICRA]A1+ | - | - | - | - | - | - |
| Unallocated limits | Long-term | 227.00 | [ICRA]AA (Stable) | July 31, 2025 | [ICRA]AA (Stable) | Sep 24, 2024 | [ICRA]AA- (Stable) | Mar 22, 2024 | [ICRA]AA- (Stable) | Mar 31, 2023 | [ICRA]A+ (Positive) |
| | | | | | | - | - | May 19, 2023 | [ICRA]AA- (Stable) | Nov 18, 2022 | [ICRA]A+ (Positive) |
| Interchangeable LC/ BG -sub limit of CC/OD* | Short-term | - | - | - | - | Sep 24, 2024 | [ICRA]A1 + | Mar 22, 2024 | [ICRA]A1 + | Mar 31, 2023 | [ICRA]A1 |
| | | | | | | - | - | May 19, 2023 | [ICRA]A1 + | Nov 18, 2022 | [ICRA]A1 |
| Commercial paper | Short-term | 200.00 | [ICRA]A1+ | - | - | - | - | - | - | - | - |

*Letter of credit/bank guarantee

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|------------------------------------|----------------------|
| Long-term – Fund-based – Term loan | Simple |
| Short-term – Fund based – CC/OD | Simple |
| Long-term – Unallocated limits | Not applicable |
| Long-term – Commercial Paper | Very 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 | Term loan | FY2013-FY2025 @ | - | FY2039& | 2423.0 | [ICRA]AA (Stable) |
| NA | CC/OD | NA | NA | NA | 350.0 | [ICRA]A1+ |
| NA | Unallocated limits | NA | NA | NA | 227.0 | [ICRA]AA (Stable) |
| Proposed to be listed | Commercial Paper | NA | NA | NA | 200.0 | [ICRA]A1+ |

Source: Company

@Represents loans sanctioned between FY2013 and FY2025

&Represents the farthest maturity date among the various maturity dates for different term loans.

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

| Company Name | Ownership as of March 31, 2025 | Consolidation Approach |
|---|--------------------------------|---------------------------|
| Brigade Enterprises Limited (Holding Company) | - | Full Consolidation |
| Brigade Properties Private Limited | 51% | Full Consolidation |
| Perungudi Real Estates Private Limited | 51% | Full Consolidation |
| WTC Trades and Projects Private Limited | 100% | Full Consolidation |
| Vibrancy Real Estates Private Limited | 100% | Full Consolidation |
| BCV Developers Private Limited | 68.76% | Full Consolidation |
| Brigade Hospitality Services Limited | 100% | Full Consolidation |
| Brigade Tetrarch Private Limited | 100% | Full Consolidation |
| Brigade Estates and Projects Private Limited | 100% | Full Consolidation |
| Brigade Infrastructure and Power Private Limited | 100% | Full Consolidation |
| Brigade (Gujarat) Projects Private Limited | 100% | Full Consolidation |
| Mysore Projects Private Limited | 100% | Full Consolidation |
| Brigade Hotel Ventures Limited | 100% | Full Consolidation |
| Augusta Club Private Limited | 100% | Full Consolidation |
| Tetrarch Developers Limited | 100% | Full Consolidation |
| Tetrarch Real Estates Private Limited | 100% | Full Consolidation |
| Brigade Innovations LLP | 94% | Full Consolidation |
| Brigade Flexible Office Spaces Private Limited | 100% | Full Consolidation |
| Venusta Ventures Private Limited | 100% | Full Consolidation |
| SRP Prosperita Hotel Ventures Limited | 50.01% | Full Consolidation |
| Tandem Allied Services Private Limited | 100% | Full Consolidation |
| BCV Real Estates Private Limited | 68.76% | Full Consolidation |
| Celebrations Private Limited | 100% | Full Consolidation |
| Propel Capital Ventures LLP | 94% | Full Consolidation |
| Brigade HRC LLP | 67% | Full Consolidation |
| Ananthay Properties Private Limited | 51% | Full Consolidation |

| Company Name | Ownership as of March 31, 2025 | Consolidation Approach |
|---|--------------------------------|------------------------|
| Zoiros Projects Private Limited (Till March 18, 2025) | 50% | Full Consolidation |

Source: Company; ICRA Research

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Pulkit Varshney

+91 80 4332 6427

pulkit.varshney@icraindia.com

Vishal R

+91 44 4596 4300

vishal.r@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

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

info@icraindia.com

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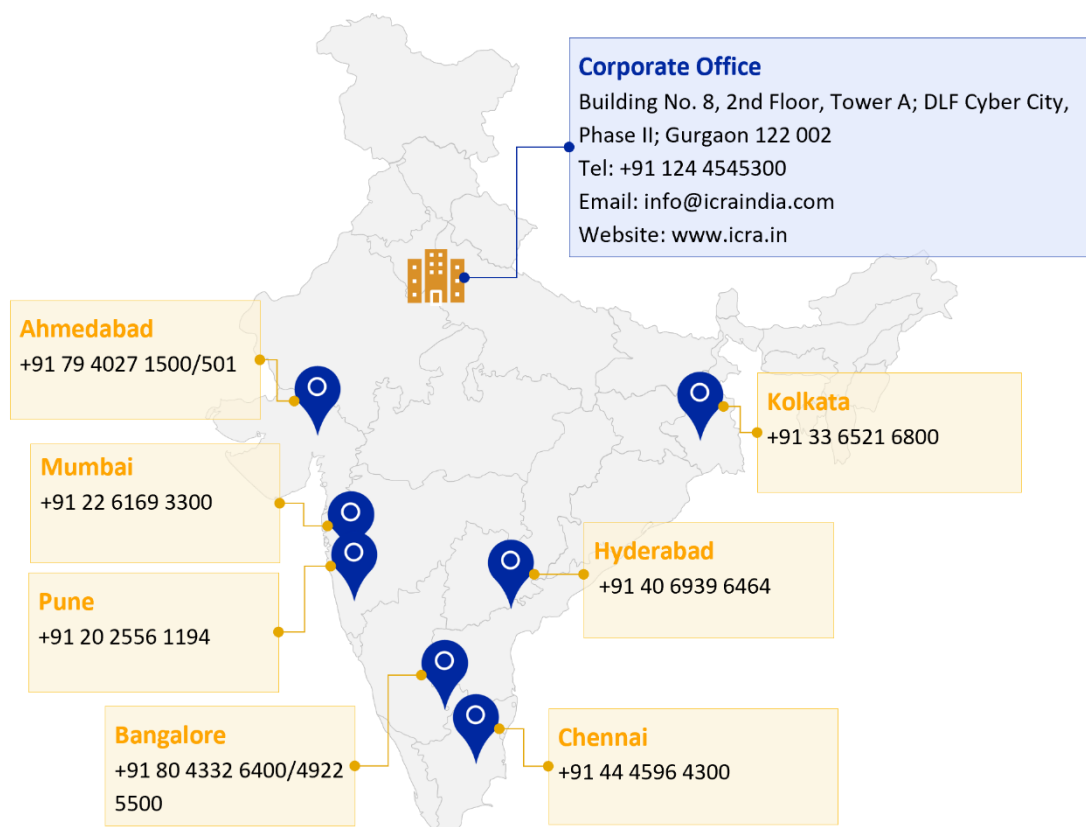
Registered Office

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

Tel: +91 11 23357940-45



Branches



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