

February 06, 2026

BAGAMANE TOWERS PRIVATE LIMITED: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term Loan	200.00	300.00	[ICRA]BBB+ (Stable); reaffirmed/ assigned for enhanced amount
Total	200.00	300.00	

*Instrument details are provided in Annexure I

Rationale

The rating action for the bank facilities of Bagamane Towers Private Limited (BTPL) factors in the healthy occupancy of 100% for its completed commercial office asset, Bagamane Pallavi Towers, and the comfortable debt protection metrics in the medium term. Pursuant to the business transfer arrangement signed between Aloha Space LLP (ASLLP) and Bagamane Ventures Pvt Ltd (BVPL, an associate entity of BTPL) in August 2025, the entire sub-leasing operations of ASLLP pertaining to Bagamane Pallavi Tower, along with ASLLP's assets (including fitouts), were transferred to BVPL without any modification to the existing sub-lease arrangements with the underlying tenants, namely Rakuten India Enterprises Private Limited and Krafton India Private Limited. It was facilitated by debt drawdown in BTPL. Consequently, the debt levels are expected to increase to Rs. 260-270.0 crore as of March 2026 (PY: Rs. 140.6 crore). Further, the rentals associated with fitouts are passed on to BTPL via an arrangement with BVPL dated September 2025, resulting in an increase in BTPL's rental income and net operating income (NOI) in the medium term. The leverage and coverage metrics, as reflected by Total debt/NOI and 5-year average DSCR is projected to remain comfortable at 4.5-5.0 times as of March 2026 (from 3.4 times as on March 31, 2025) and around 2.20 – 2.40 times during FY2026-FY2030 respectively. The rating favourably notes the advantageous location of the asset, which enhances its marketability.

The rating is, however, constrained by BTPL's exposure to high tenant concentration risk, with its two tenants fully occupying the office asset. Nonetheless, the reputed tenant profile, along with adequate lock-in period provides comfort to some extent. The rating factors in the company's single-asset nature and its dependence on revenues from a single property, exposing it to asset concentration risk. The rating considers the company's exposure to inherent cyclicality in the real estate industry and vulnerability to external factors. The rating notes the vulnerability of its debt coverage metrics to factors such as changes in interest rates or reduction in occupancy levels.

The Stable outlook on BTPL's rating reflects ICRA's opinion that the company will benefit from the favourable location of the project and healthy occupancy levels resulting in comfortable debt protection metrics.

Key rating drivers and their description

Credit strengths

Healthy occupancy and comfortable debt protection metrics – As on December 31, 2025, the property is fully leased to BVPL (associate entity of BTPL) which has further, sub-leased it to two reputed tenants, namely Rakuten India Enterprises Private Limited and Krafton India Private Limited. While the debt level is projected to increase to Rs. 260–270 crore as on March 31, 2026 from Rs. 140.6 crore as on March 31, 2025 on account of the business transfer arrangement signed between ASLLP and BVPL in August 2025, the rental inflows and NOI levels are expected to substantially rise over the medium term, supported by a new rental arrangement signed between BTPL and BVPL in September 2025. As a result, the overall leverage as reflected by Total Debt/NOI, is anticipated to remain comfortable at 4.5-5.0 times as on March 31, 2026 (from 3.4 times as on March 31, 2025) and is likely to reduce in the medium term, driven by scheduled repayment of debt and increase in NOI levels.

Consequently, the debt coverage metrics as reflected by 5-year average DSCR is estimated to remain comfortable at around 2.20 – 2.40 times during FY2026-FY2030.

Favourable location of asset – The project benefits from its favourable location in Sampangi Ramanagar, which is a part of Bengaluru’s Central Business District (CBD). It is a premium micromarket with strong connectivity and well-established social and physical infrastructure, supporting its marketability.

Credit challenges

Exposed to tenant and asset concentration risks – BTPL is exposed to high tenant concentration risk, with two tenants fully occupying the office asset. Nonetheless, the reputed tenant profile, along with substantial security deposits provided by the tenants, provides comfort to an extent. The rating factors in the company’s single-asset nature, with its revenues entirely dependent on one property, thereby exposing it to high asset concentration risk.

Vulnerability to cyclical and changes in interest rate – The company remains exposed to the inherent cyclical in the real estate industry and vulnerability to external factors. The rating notes the susceptibility of its debt coverage metrics to factors such as changes in interest rates or reduction in occupancy levels.

Liquidity position: Adequate

BTPL’s liquidity is adequate with investments in listed securities and mutual funds of Rs. 101.8 crore as on March 31, 2025. At present, the company does not have any major capex plans in the medium term. It has debt servicing obligations (P+I) of Rs. 20.0-25.0 crore in FY2026 and Rs. 25.0-30.0 crore in FY2027, which can be comfortably met through its estimated cash flow from operations.

Rating sensitivities

Positive factors – ICRA could upgrade BTPL’s rating if the company demonstrates a sustained improvement scale of operations, along with diversification in the tenant base, while maintaining healthy debt protection metrics.

Negative factors – Pressure on the rating could arise in case of any material delay in rental collections or a significant decline in occupancy levels/rental rates, or a significant increase in indebtedness, resulting in weakening of debt protection metrics and the liquidity position. Specific credit metric that could lead to a rating downgrade includes a 5-year average DSCR of less than 1.35 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the company’s standalone financial profile

About the company

Incorporated on May 05, 2023, Bagamane Towers Private Ltd, is currently operating a commercial office project, Bagamane Pallavi Tower, in Sampangi Ramanagar, Bengaluru, with a total leasable area of 0.3 msf (company share of 0.23 msf). It is held by Mr. Nithin Bagamane and his family. The office project is fully leased to two tenants namely, Rakuten India Enterprise Private Limited and Krafton India Private Limited.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	40.9	44.9
PAT	22.3	24.1
OPBDIT/OI	95.1%	90.8%
PAT/OI	54.6%	53.8%
Total outside liabilities/Tangible net worth (times)	5.3	3.7
Total debt/OPBDIT (times)	2.3	3.4
Interest coverage (times)	7.7	7.5

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	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb 06, 2026	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long-Term	300.00	[ICRA]BBB+ (Stable)	Jan 28, 2026	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	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	Long-term – Fund-based – Term loan	FY2024 – FY2026	-	FY2038	300.00	[ICRA]BBB+ (Stable)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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