

October 12, 2026

Bagmane Constructions Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator [#]
Long-term – Fund-based – Term loans	1,297.00	2,138.00	[ICRA]AA (Stable); reaffirmed	RBI
Long-term – Unallocated Limits	1,203.00	362.00	[ICRA]AA (Stable); reaffirmed	RBI
Total	2,500.00	2,500.00		

*Instrument details are provided in Annexure I

[#]SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of financial sector regulators other than SEBI

Rationale

The rating reaffirmation for Bagmane Constructions Private Limited (BCPL) factors in the Bagmane Group's established track record in Bengaluru's commercial real estate market and improvement in the occupancy level across its completed portfolio, which supports healthy rental income as well as comfortable debt protection metrics. The committed occupancy level for the completed area of 5.7 million square feet (msf) under the entity's commercial office asset, Bagmane Capital Tech Park, rose to 100% as of June 2026 (~97% as of May 2025). The rental income for FY2026 is estimated at ~Rs. 760 crore and is further expected to improve to Rs. 900-950 crore in FY2028, aided by rental generation from newly constructed leasable area along with timely rental escalations. Bagmane Capital Tech Park is favourably located at Outer Ring Road, Mahadevapura, Bengaluru and has under-development area of 1.8 msf (Bagmane's share) within the same campus. BCPL benefits from a strong tenant profile comprising marquee occupants such as Google, Amazon, LinkedIn, Qualcomm, Salesforce, etc. Besides, long-lease tenure provides medium-term rental visibility.

BCPL has external debt including lease liabilities of around Rs. 3,162 crore¹ as of March 2026. The same is expected to decline in the coming years following repayments/prepayments. The rating continues to derive comfort from BCPL's leverage metric, as measured by gross external debt/annualised net operating income (NOI), which is estimated at 5.3-5.6 times as of March 2026 and is expected to remain below 4.0 times over the medium term, supported by a healthy growth in NOI and limited reliance on debt for future capex. The five-year average debt servicing coverage ratio (DSCR) based on external debt and lease liabilities is expected to remain comfortable at above 1.4 times during FY2026-FY2030, supported by healthy rental income. Even as the entity is expected to remain self sufficient to meet its debt repayment obligations, ICRA also factors in the likelihood of timely support from its parent company, Bagmane Realty and Infrastructure LLP (BRIL), given the strategic importance of BCPL for the parent and the parent's reputation sensitivity to default.

The rating remains constrained by the execution risk and market risk for its ongoing development of 1.8 msf area, wherein ~75% of the cost is yet to be incurred as of March 2026 with 28% pre-leasing. The company is further exposed to high tenant concentration risk with the top five tenants contributing ~69% to the rental income and occupying ~70% of the leased area. Nonetheless, these risks are partially mitigated by the Bagmane Group's established execution and leasing track record, strong tenant profile, the asset's favourable location and tenants' high upfront investments, increasing tenant stickiness. BCPL's operations remain concentrated in Bengaluru, exposing it to high geographical concentration risk. However, the ongoing development of commercial office assets in Delhi and Chennai is expected to provide some diversification over time, mitigating the risk to an extent. The rating remains susceptible to the inherent cyclicity in the real estate industry and vulnerability to

¹ Lease liabilities of around Rs. 1,420 crore as of March 31, 2026

adverse macroeconomic and external conditions, which could impact the tenant's business risk profile. BCPL's debt coverage metrics remain susceptible to an increase in interest rates or a material decline in occupancy levels.

The Stable outlook reflects ICRA's expectation that BCPL will continue to maintain high occupancy levels and comfortable debt protection metrics, supported by its reputed tenant profile and a steady increment in the rental income from newly completed leasable area.

Key rating drivers and their description

Credit strengths

Established market position of Bagmane Group – BCPL is a subsidiary of the Bagmane Group, which is an established developer in Bengaluru's commercial real estate and has developed and leased around 30 msf of office space as of September 2026. Some key projects are favourably located either in Secondary Business District (SBD), Outer Ring Road, or in the IT/ITES corridor, enhancing their marketability and resulting in high occupancy level.

High occupancy in leased assets with strong tenant profile – The company's committed occupancy levels for completed portfolio of 5.7 msf is 100% as of March 2026 (97% as of May 2025) and is expected to remain strong in the medium term, supported by favourable location and superior quality of the assets. The tenants include Google, Amazon, LinkedIn, Qualcomm, Salesforce, etc. Substantial investments made by the tenants towards the fitouts in the leased premises and long lease tenure reduce the risk of vacancy to an extent while ensuring rental visibility over the near-to-medium term.

Comfortable debt protection metrics – BCPL's office space portfolio has garnered an estimated rental income of ~Rs. 760 crore in FY2026, which is expected to further improve to Rs. 900-950 crore in FY2028, aided by rental generation from the newly constructed leasable area along with timely rental escalations. The company has external debt including lease liabilities of around Rs. 3,162 crore as of March 2026. The same is expected to decline in the medium term on account of repayments/pre-payments. BCPL's leverage metric, as measured by gross external debt/annualised net operating income (NOI), is estimated at 5.3-5.6 times as of March 2026. The same is expected to remain below 4.0 times in the medium term, supported by healthy growth in NOI and limited reliance on debt for future capex. The five-year average debt servicing coverage (DSCR) based on external debt and lease liabilities is expected to remain comfortable at above 1.4 times during FY2026-FY2030, supported by healthy rental income. Even as the entity is expected to remain self sufficient to meet its debt obligations, ICRA also factors in the likelihood of timely support from its parent company, Bagmane Realty and Infrastructure LLP (BRIL), given the strategic importance of BCPL for the parent and the parent's reputation sensitivity to default.

Credit challenges

Execution and market risks associated with ongoing development of commercial office space – BCPL currently has 1.8 msf (Bagmane share) of area under-construction with ~75% of the cost yet to be incurred as of March 2026. The company is also exposed to market risk with 28% pre-leasing for its under-construction area. Further, the company is developing 3-4 msf each across Chennai and Delhi, which are likely to be operational in the medium term. Nevertheless, the Bagmane Group's established execution and leasing track record and the asset's favourable location provide comfort.

Exposed to high geographical and tenant concentration risks – BCPL remains exposed to high geographical and tenant concentration risks, with the entire commercial portfolio concentrated in Bengaluru and the top five tenants occupying ~70% of the leased area contributing ~69% to the annual rental income as of March 2026. However, strong tenant profile, attractive location and significant fitout investments made by the tenants mitigate these risks to some extent. The ongoing development of commercial office assets in Delhi and Chennai is expected to provide some diversification over time, mitigating the geographical risk to an extent.

Vulnerable to cyclicalities and changes in interest rates – The company remains exposed to the inherent cyclicalities in the real estate industry and vulnerability to adverse macroeconomic and external conditions, which could impact the tenant's business risk profile. Nonetheless, comfort is driven from the strong leasing levels in BCPL's portfolio. The rating notes the susceptibility

of its debt coverage metrics to factors such as changes in interest rates or material reduction in occupancy levels. However, low leverage (with expected gross external debt/NOI below 4.0 times) in the medium term along with long tenure debt amortisation provides adequate cushion to withstand temporary impact in the interim, if any.

Liquidity position: Adequate

The company's liquidity position is Adequate with free cash and cash equivalents of Rs. 48.6 crore on a consolidated basis as of March 2026. The estimated debt obligations including lease liabilities as well as upcoming annual capital expenditure of Rs. 3,200-3,400 crore for FY2027-FY2028 are projected to be met through its cash flow from operations and promoter debt. Moreover, BRIL, the parent entity, is expected to provide funding support, if required.

Rating sensitivities

Positive factors – ICRA could upgrade BCPL's rating if the company is able to successfully diversify operations along with a significant increase in its scale of operations while maintaining low leverage levels and strong debt coverage metrics.

Negative factors – Pressure on BCPL's rating could arise if there is a significant delay in leasing tie-ups in the upcoming commercial projects, leading to slower-than-expected ramp-up in rentals. Specific credit metrics that could lead to a downgrade of BCPL's rating include gross external debt to net operating income increasing above 4.0 times on a sustained basis. The rating will also be sensitive to the deterioration of the credit profile of the parent and weakening of financial linkages with its parent company.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Leasing
Parent/Group support	ICRA expects Bagmane Realty and Infrastructure LLP (BRIL; BCPL's parent entity) to provide timely financial support to BCPL for funding requirement, if any, given its strategic importance for the parent and BRIL's reputation sensitivity to default.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered consolidated financials of Bagmane Constructions Private Limited, Bagmane Texworth Private Limited, Bagmane Clean Energy Private Limited and Bagmane Business Parks Private Limited, Phovoezolar Energy Private Limited given operational, financial and managerial linkages among them.

About the company

Bagmane Constructions Private Limited (BCPL) was incorporated on March 09, 2005 and is primarily engaged in the business of development and lease of office space. Project 'Bagmane Capital Tech Park' was transferred to BCPL from Bagmane Developers Private Limited (BDPL), pursuant to a demerger order passed by NCLT on October 22, 2024, effective from July 1, 2024. Currently, BCPL's operational portfolio comprises Project Bagmane Capital Tech Park (except for Luxor buildings), a tech campus on Outer Ring Road, Mahadevapura, Bengaluru, with completed total leasable area of ~5.7 msf (Bagmane share) with 100% committed occupancy as of June 2026 and three under-construction buildings with leasable area of 1.8 msf (Bagmane's share). BCPL is the holding company for Bagmane Clean Energy Private Limited (BCEPL), Bagmane Texworth Private Limited (BTPL), Bagmane Business Parks Private Limited (BBPPL) and Phovoezolar Energy Private Limited.

Key financial indicators (audited)

Consolidated	FY2024*	FY2025
Operating income (OI)	446.8	634.0
PAT	56.1	113.5
OPBDIT/OI	66.3%	76.8%
PAT/OI	12.5%	17.9%
Total outside liabilities/Tangible net worth (times)	1.2	1.1
Total debt/OPBDITA (times)	10.5	6.8
Interest coverage (times)	2.0	1.8

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; *Restated numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current year (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Oct 12, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based- Term loans	Long Term	2,138.00	[ICRA]AA (Stable)	Aug 07, 2025	[ICRA]AA (Stable)	-	-	-	-
Unallocated limits	Long Term	362.00	[ICRA]AA (Stable)	Aug 07, 2025	[ICRA]AA (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loans	Simple
Long-term unallocated limits	Not Applicable

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	Financial sector regulator [#]
NA	Term loans	FY2021-FY2026 [@]	-	FY2041 [^]	2,138.00	[ICRA]AA (Stable)	RBI
NA	Unallocated limits	N.A.	N.A.	N.A.	362.00	[ICRA]AA (Stable)	RBI

Source: Company

[@]represents loans sanctioned between FY2021-FY2026

[^]represents the farthest maturity date amongst the various maturity dates for different term loans

[#]SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI

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Annexure II: List of entities considered for consolidated analysis

Company Name	BCPL Ownership	Consolidation Approach
Bagmane Texworth Private Limited	63.00%	Full Consolidation
Bagmane Clean Energy Private Limited	99.98%	Full Consolidation
Bagmane Business Parks Private Limited	100.00%	Full Consolidation
Phovoezolar Energy Private Limited	71.70%	Full Consolidation

Source: Company; ICRA Research

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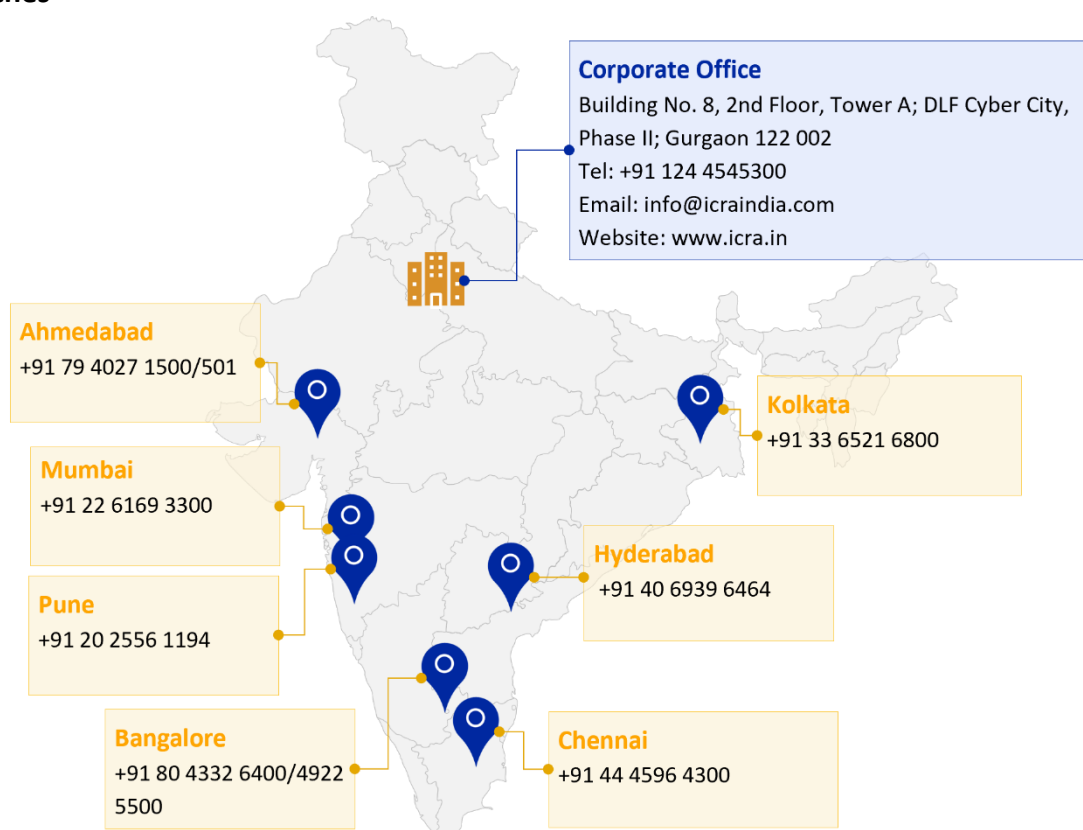
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