

September 30, 2025

BANGALORE HOUSING DEV AND INV: Rating assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long Term-Fund Based-Term Loan	140.00	[ICRA]BBB+ (Stable); Assigned
Total	140.00	

*Instrument details are provided in Annexure-I

Rationale

The rating assigned to Bangalore Housing Development and Investment (BHDI) factors in the healthy occupancy level of its commercial office asset at 100% and adequate debt protection metrics. The firm operates a commercial office project of 2.0 lakh square feet (lsf), Tower B – IBC Knowledge Park, in Bhavani Nagar, Bannerghatta Road, Bengaluru and witnessed a sustained 100% occupancy levels since November 2022, with a reputed tenant. BHDI's total debt is projected to be around Rs. 135-137 crore as of March 2026 (PY: Rs. 137.9 crore) with a residual tenure of 13.6 years. The debt protection metrics are likely to remain adequate, with leverage, total debt/net operating income (NOI), estimated at 5.40-5.60 times as of March 2026 (PY: 5.69 times) and debt service coverage metric, with 5-year average DSCR of 1.18-1.20 times in FY2026-FY2030, supported by increase in rental income with timely rental escalations and back-ended repayment schedule for the lease rental discounting (LRD) loan. The project is favourably located at Bhavani Nagar, Bannerghatta Road, in Bengaluru and is in close proximity to major business hubs like Koramangala and Jayanagar, along with its connectivity to public transport, enhances its marketability. The rating considers the established track record of the IBC Group in the development and management of commercial real estate assets. It has developed over 12 million square feet (msf) of area in Bengaluru.

The rating, however, is constrained by the high tenant concentration risk with a single tenant occupying 100% of the total leasable area and the consequent exposure to market risk in case of any vacancy or non-renewal from the same. Nonetheless, the risks are partly mitigated by the project's competitive rental rates and the investments made by tenant towards fitouts. The rating factors in the single asset nature of the firm and the dependence on revenue from a single project, exposing it to asset concentration risk. The firm remains exposed to the inherent cyclical nature in the real estate industry and is susceptible to external factors. The rating notes the vulnerability of its debt protection metrics to factors such as changes in interest rates or reduction in occupancy levels.

The Stable outlook on the rating reflects ICRA's opinion that the firm will continue to benefit from healthy occupancy levels and adequate debt protection metrics with no plans to raise any additional debt.

Key rating drivers and their description

Credit strengths

Healthy occupancy level and reputed tenant profile; adequate debt protection metrics – The firm operates a commercial office project of 2.0 lsf and has witnessed a sustained 100% occupancy levels since November 2022, with a reputed tenant, Reliance Projects and Property Management Services Limited (RPPMSL). BHDI's total debt is projected to be around Rs. 135-137 crore as of March 2026 (PY: Rs. 137.9 crore) with residual tenure of 13.6 years. The debt protection metrics are likely to remain adequate, with leverage, total debt/net operating income (NOI), estimated at 5.40-5.60 times as of March 2026 (PY: 5.69 times) and debt service coverage metric, with 5-year average DSCR of 1.18-1.20 times in FY2026-FY2030, supported by an increase in rental income with timely rental escalations and back-ended repayment schedule for the LRD loan.

Favourable location of the project along with established track record of the Group – The project is favourably located at Bhavani Nagar, Bannerghatta Road, in Bengaluru. It is in close proximity to major business hubs like Koramangala and Jayanagar, along with its connectivity to public transport, enhances its marketability. The rating considers the established track record of the IBC Group in the development and management of commercial real estate assets. It has developed over 12 msf of area in Bengaluru.

Credit challenges

Exposure to tenant concentration and asset concentration risks – The rating is constrained by the high tenant concentration risk with a single tenant occupying 100% of the total leasable area and the consequent exposure to market risk in case of any vacancy or non-renewal from the same. Nonetheless, the risk is partly mitigated by the project’s competitive rental rates and the investments made by tenant towards fitouts. The rating factors in the single asset nature of the firm and the dependence on revenue from a single project, exposing it to asset concentration risk.

Vulnerability in debt coverage metrics due to changes in interest rates and occupancy levels – The firm remains exposed to the inherent cyclicity in the real estate industry and is susceptible to external factors. The rating notes the vulnerability of its debt protection metrics to factors such as changes in interest rates or reduction in occupancy levels.

Liquidity position: Adequate

The firm’s liquidity profile is supported by fixed deposits of Rs. 14.07 crore (excluding Debt Service Reserve Account (DSRA)) as on March 31, 2025. Further, the firm has debt obligations (P+I) of around Rs. 13.5 crore in FY2026, which is expected to be comfortably met from its cash flow from operations.

Rating sensitivities:

Positive factors – ICRA could upgrade the rating with diversification in tenant profile and significant improvement in cash flows leading to improvement in leverage and coverage indicators.

Negative factors – A significant decline in occupancy levels and/or increase in indebtedness impacting the debt protection metrics could result in a rating downgrade. Significant withdrawals from partners adversely impacting the liquidity position of the company.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	NA
Consolidation/Standalone	Standalone

About the company

Bangalore Housing Development and Investments (BHDI) is a partnership firm incorporated on January 16, 1986 under the Indian Partnership Act, 1932 with partners – IBC Knowledge Park Private Limited, Yunus Zia and Sharmeen Yunus, with an objective to carry the business of real estate developments and leasing activities. BHDI's current portfolio comprises commercial space of 0.20 msf at Tower B - IBC Knowledge Park located at Bhavani Nagar, Bannerghatta Road, Bengaluru, which is 100% leased to Reliance Projects and Property Management Services Limited.

Key financial indicators (audited)

Standalone	FY2024	FY2025*
Operating income	27.0	31.4
PAT	6.1	4.6
OPBDITA/OI (%)	67.4%	64.4%
PAT/OI (%)	22.4%	14.6%
Total outside liabilities/Tangible net worth (times)	2.1	2.0
Total debt/OPBDITA (times)	9.1	7.5
Interest coverage (times)	2.0	1.5

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore. PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortization; *Provisional

Status of non-cooperation with previous CRA:

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)	Sep 30, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund Based-Term Loan	Long Term	140.00	[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/sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long Term-Fund Based-Term Loan	Nov 08, 2023	8.1%	FY2039	140.00	[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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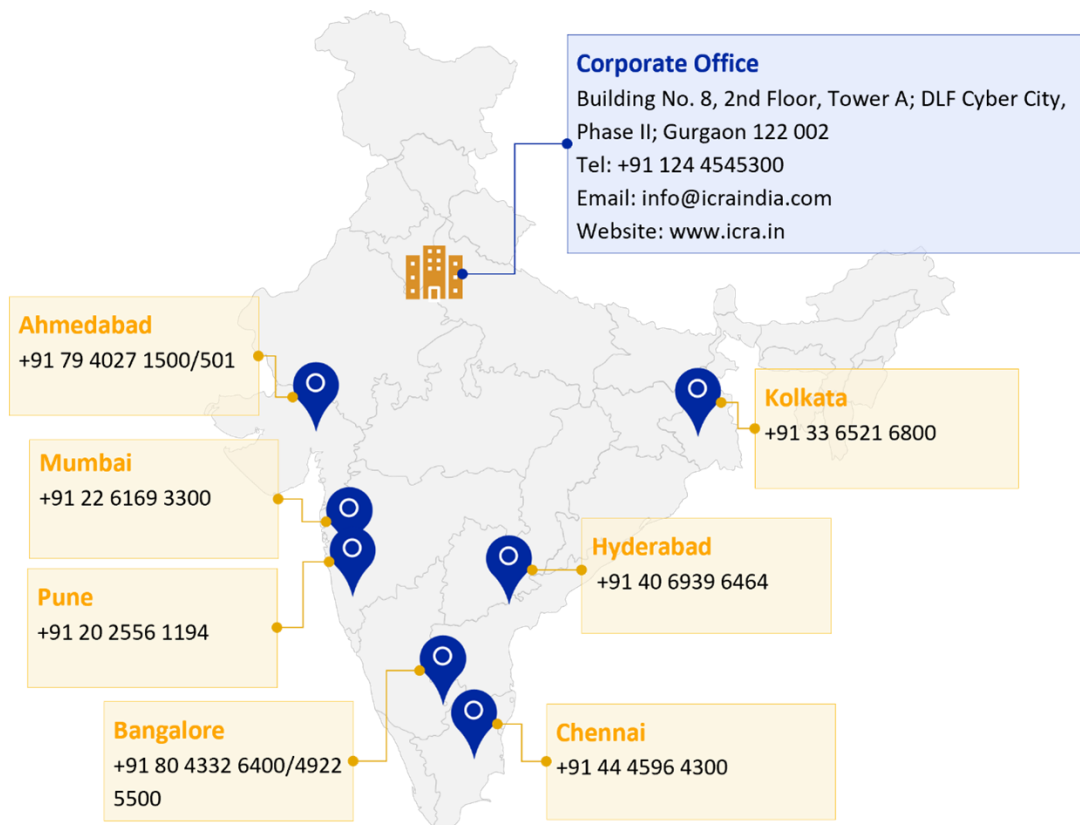
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