

October 09, 2026

BANGALORE HOUSING DEV AND INV: 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 loan	140.00	140.00	[ICRA]BBB+ (Stable); reaffirmed	RBI
Total	140.00	140.00		

*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 Bangalore Housing Development and Investment (BHDI) factors in the sustained healthy occupancy level of its commercial office asset resulting in 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. The asset's occupancy has sustained at 100% as of August 2026 (100% as of March 2025) and is leased to a reputed tenant. BHDI's external debt is projected to be around Rs. 131-133 crore as of March 2027 (PY: Rs. 135.9 crore) with a residual tenure of 12.6 years. The leverage, external debt/net operating income (NOI), is estimated to remain adequate at 5.20-5.30 times as of March 2027 (PY: 5.61 times). Consequently, the debt coverage indicators are likely to remain adequate, with five-year average debt service coverage ratio (DSCR) of around 1.10 times for FY2027-2031, supported by increase in rental income (on the back of timely rental escalations) and back-ended repayment schedule for the term 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 positively notes 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, continues to be constrained by the high tenant concentration risk with a single tenant occupying 100% of the total leasable area, exposing the firm to vacancy and renewal risks. The risk is partly mitigated by the project's competitive rental rates, favourable location of the asset and significant fit-out investments by tenant. The firm has small scale of operations with single asset having 2.0 lsf of leasable area, which exposes it to asset concentration risk arising from reliance on a single operational property for cash flow generation. BHDI remains exposed to the inherent cyclicity in the real estate industry and is susceptible to external factors. Further, its debt coverage metrics remain vulnerable to adverse movements in occupancy levels and interest rates.

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 material additional debt.

Key rating drivers and their description

Credit strengths

Healthy occupancy levels; adequate debt protection metrics – The firm operates a commercial office project of 2.0 lsf and witnessed a sustained 100% occupancy levels since November 2022, with a reputed tenant, Reliance Projects and Property Management Services Limited (RPPMSL). BHDI's external debt is projected to be around Rs. 131-133 crore as of March 2027 (PY: Rs. 135.9 crore) with residual tenure of 12.6 years. The leverage, External debt/ NOI, is estimated to remain adequate at 5.20-5.30 times as of March 2027 (PY: 5.61 times). Consequently, the debt coverage indicators are likely to remain adequate,

with five-year average DSCR of around 1.10 times for FY2027-2031, supported by increase in rental income (on the back of timely rental escalations) and back-ended repayment schedule for the term loan.

Favourable location of the project along with established track record of the Group – The project is located on Bannerghatta Road, Bengaluru and benefits from connectivity to key commercial and residential catchments of the city. Its proximity to established office hubs such as Koramangala, Jayanagar and Electronic City supports its leasing prospects. The rating derives comfort from the established track record of the IBC Group in the development and management of commercial real estate assets, with a sizeable portfolio across multiple projects.

Credit challenges

Exposure to tenant concentration and asset concentration risks – The rating remains constrained by the high tenant concentration risk, with a single tenant occupying the entire leasable area. Any vacancy or non-renewal could adversely impact cash flows and debt servicing capability. Nevertheless, the risk is partly mitigated by the competitive rental rates, favourable location of the asset and tenant stickiness, supported by significant fit-out investments and the long residual lease tenure. Further, the firm derives its revenues from a single operational asset 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. Further, its debt coverage metrics remain vulnerable to adverse movements in occupancy levels and interest rates.

Liquidity position: Adequate

As on March 31, 2026, the firm has free cash of Rs. 0.12 crore and liquid investments of ~Rs. 17.8 crore. Additionally, DSRA of around Rs. 3.5 crore is maintained (equivalent of 3M P+I obligations). Further, BHDl has debt obligations (P+I) of around Rs. 15.2 crore in FY2027, which is expected to be comfortably met from its cash flow from operations.

Rating sensitivities

Positive factors – ICRA could upgrade the rating in case of a 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 and/or significant withdrawals from partners adversely impacting the liquidity position of the company, could result in a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Leasing
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. The firm was incorporated 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 IBC Knowledge Park located at Bannerghatta Road, Bengaluru, which is 100% leased to Reliance Projects and Property Management Services Limited.

Key financial indicators (audited)

BHDI (Standalone)	FY2025	FY2026*
Operating income	31.4	31.5
PAT	4.5	4.2
OPBDIT/OI	63.8%	59.4%
PAT/OI	14.3%	13.3%
Total outside liabilities/Tangible net worth (times)	2.0	1.9
Total debt/OPBDIT (times)	7.6	8.2
Interest coverage (times)	1.5	1.5

Source: Company, ICRA Research; * Provisional numbers; 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

Current rating (FY2027)			Chronology of rating history for the past 3 years						
			FY2026		FY2025		FY2024		
Instrument	Type	Amount rated (Rs. crore)	Oct 09, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loan	Long term	140.00	[ICRA]BBB+ (Stable)	Sep 30, 2025	[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	Financial sector regulator [#]
NA	Long-term – Fund-based – Term loan	Nov 08, 2023	NA	FY2039	140.00	[ICRA]BBB+ (Stable)	RBI

Source: Company

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

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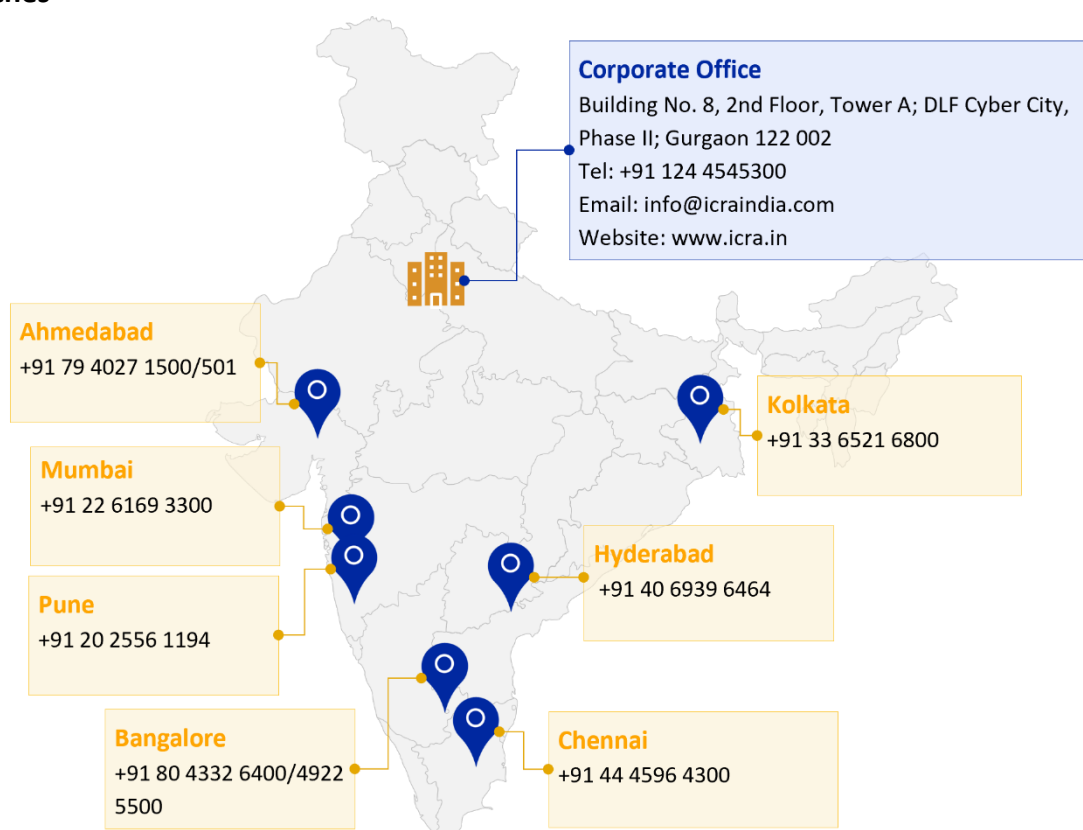
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