IBC Knowledge Park Private Limited

October 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	-	-	Reaffirmed at CARE A-; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn outstanding ratings of 'CARE A-; Stable' assigned to bank facilities of IBC Knowledge Park Private Limited (IBCKPPL) with immediate effect. This action has been taken at the request of IBCKPPL and 'No Objection Certificate' received from the lenders that have extended the facilities rated by CareEdge Ratings.

The rating reaffirmation of the long-term bank facilities of IBCKPPL derives strength from presence of experienced promoters, healthy occupancy of the property, diversified tenant profile, and prime and strategic location of Grade A commercial office spaces in Bangalore. The rating also factors in comfortable financial risk profile, adequate liquidity position and presence of an escrow mechanism with a debt service reserve account (DSRA) for debt servicing. However, rating strengths are partially offset by substantial exposure in group companies, risk associated with timely renewals, and leasing out of total space, execution risk, and inherent risks associated with cyclical nature of the real estate industry.

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Experienced promoter group

The flagship company of Indian Builders Corporation (IBC) group, IBCKPPL, is a Bangalore-based real estate company and specialises in the development and leasing of commercial spaces. IBCKPPL is promoted by Yunus Zia, Sharmeen Yunus, Danish Sheriff, and Azeem Sheriff.

IBC group has over 55 years of experience in real estate and has successfully completed over 150 lakh sq ft across India. IBC presently has over 120 lakh sq ft across stages of development in India. Apart from the real estate sector, the group is also engaged in businesses including coffee plantations, hospitality, healthcare, manufacturing, information technology, education, and alternative investments.

Steady cashflows, supported by healthy occupancy level and reputed tenant

The company has two Grade A commercial spaces in Bangalore—IBC Knowledge Park (on Bannerghatta Road, with a leasable area of 19.72 lakh sq ft) and Diamond District (on Old Airport Road, with a leasable area of 4.37 lakh sq ft). The combined occupancy rate of IBCKPPL's offices stood healthy at ~93%. Most lease agreements are executed for a tenure of over five years with an annual escalation of 4-5%. The property is leased to reputed tenants such as Reliance Projects and Property Management Services Limited, Ather Energy Private Limited, Climate ETC Technology Services Private Limited, Temenos India Private Limited, and One Sigma Technologies Private Limited.

Favourable location and Grade A quality assets

IBC Knowledge Park is a Grade A commercial space on Bannerghatta Road, benefiting from connectivity to MG Road and proximity to the vibrant neighbourhood of Koramangala, with surrounding hotels and retail destinations. Diamond District is a Grade A commercial space on Old Airport Road, surrounded by restaurants, hotels, and lounges, and near vibrant communities of Indiranagar and Koramangala, amid the IT hub of Whitefield and downtown Bangalore. The prime location and quality infrastructure of the assets support maintenance of a healthy occupancy level.

Comfortable financial risk profile

In FY25 (FY refers to April 01 to March 31) (Prov.), the company generated rental income of ~₹215.27 crore. Based on outstanding external debt, debt-to-rental and debt-to-EBITDA stood close to 7x. No further debt is envisaged, and debt coverage metrics are

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

expected to improve. Debt-to-EBITDA is expected to remain in the range of 4x-7x. The cash coverage ratio (CCR) is expected to remain modest over the tenor of the term loan owing to moderately high leverage of the asset.

Presence of escrow mechanism and DSRA for debt servicing

Per the terms of the loan agreement, entire cash inflows comprising lease rentals and other inflows such as common area maintenance (CAM) receipts and parking income are required to be routed through a designated escrow account. There is a well-defined waterfall mechanism where debt servicing takes priority over other outflows, demonstrating strong financial discipline. With the escrow and waterfall mechanisms in place, the company is also required to create a DSRA equivalent to one-three months' principal and interest obligations, which supplements the liquidity profile.

Key Rating Weaknesses

Execution risk associated with under-construction tower

IBCKPPL is constructing an additional tower (G Block) in IBC Knowledge Park, offering a total leasable area of seven lakh sq ft. Of this, 1.5 lakh sq ft will be allocated to Bangalore Housing Development and Investments (BHDI), a subsidiary partnership firm of IBCKPPL. The project is estimated to cost ~₹175 crore, which will be financed through internal accruals. As of September 10, 2025, the company has incurred a cost of ₹69.74 crore. The tower is expected to be completed by FY27, and the management is in talks with existing tenants to lease out G Block/the vacant area.

Risk associated with timely renewals and leasing out of total space

The company's rental income is exposed to volatility in occupancies and rental rates. In the next five years, over 50% of the area will be due for renewal. Accordingly, timely renewal of lease agreements and realisation of envisaged escalations remain crucial for effective cash flow management. The company is also exposed to marketing risk associated with leasing the balance space and the space in the new tower. The long track record of operations of the promoters and established relationships with tenants provide comfort in terms of sustaining a healthy occupancy level.

Tenant concentration risk

IBCKPPL is exposed to tenant concentration risk, with the top five tenants occupying ~54% of the leased area in IBC Knowledge Park and ~57% of the leased area in Diamond District. Both assets have a concentrated tenant base, with top five tenants occupying a significant portion of the leased area.

Substantial exposure in group companies

IBCKPPL has significant exposure in its group companies and subsidiaries in the form of equity infusion and unsecured loans and advances, as detailed below. IBCKPPL's cash flows are adequate to meet its operating and debt servicing obligations. Currently, no major support is envisaged from business operations to group entities. However, significant support extended from business operations, impacting the company's liquidity, will temper credit strengths.

Geographic concentration risk

Both commercial assets of IBCKPPL are in Bangalore, exposing the company to geographical concentration risk. Adverse development or decline in demand in the micro-market may significantly impact rentals and occupancy. Prime location of the assets reduces the risk to a certain extent.

Inherent risk associated with cyclical real estate industry

IBCKKPL is exposed to cyclicality associated with the real estate sector, which has direct linkage with macroeconomics, interest rates, and disposable income levels. Rental collections remain susceptible to economic downturns, which may constrain the business risk profile of tenants, impacting occupancy and rental rates. Emergence of competing facilities in the vicinity may cannibalise tenants or rental rates. While majority tenants in IBCKPPL are established corporates and may continue to occupy the property, industry shock leading to vacancies may make it difficult to find alternate lessees within the stipulated time. This could adversely impact cash flows and will constrain rating strengths.

Liquidity: Adequate

Adequate liquidity is characterised by strong monthly rental collections of ~₹17 crore against average monthly interest and principal obligations of ~₹14.40 crore in FY26. Hence, net project inflows are expected to be adequate to meet debt commitments. The company also had cash and bank balances of over ₹150 crore as on March 31, 2025, covering over 87% of its debt commitments due until FY26.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Withdrawal Policy
Rating methodology for Debt backed by lease rentals

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

Incorporated in 2002, IBCKPPL, the flagship company of the IBC group, is a Bangalore-based real estate company, engaged in real estate business and specialises in developing and leasing commercial spaces.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	245.19	281.97	293.68
PBILDT	181.96	196.87	215.04
PAT	57.03	73.55	85.98
Overall gearing (times)	2.05	1.85	1.77
Interest coverage (times)	1.75	1.68	1.90

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA:
Brickwork Ratings in its press release dated July 07, 2025, reaffirmed the long-term ratings for the Bank Loan Facilities at BWR BB; Stable (INC), based on the best available information, management's continued non-cooperation and in line with extant guidelines.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Lease rental discounting/ Rent Receivables Financial		-	-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	LT	-	-	1)CARE A-; Stable (06-Oct-25)	1)CARE A-; Stable (04-Oct-24)	-	-

LT: Long term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Lease rental discounting/ Rent Receivables Financial	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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