

July 10, 2026

IBC KNOWLEDGE PARK PRIVATE LIMITED: [ICRA]A- (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator [#]
Long-term – Fund-based – Term loan	1,312.99	[ICRA]A- (Stable); assigned	RBI
Long-term – Unallocated Limits	37.01	[ICRA]A- (Stable); assigned	RBI
Total	1,350.0		

*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 assigned to IBC Knowledge Park Private Limited (IBCKPPL) factors in the healthy occupancy levels for its assets at around 87% as of March 2026, comfortable leverage and adequate debt coverage metrics. The company has a total leasable area of 2.3 million square feet (msf) across three assets – IBC Knowledge Park (1.75 msf), Diamond District (0.46 msf) and Golden Tower (0.10 msf) in Bengaluru. The company's net operating income (NOI) is expected to rise by 15-17% in FY2027 (PY: 260.6 crore) on account of incremental leasing and timely rental escalations. It has an outstanding external loan of around Rs. 1,325 crore as on March 31, 2026, and the same is likely to reduce in line with the scheduled repayments. Consequently, the leverage as measured by total external debt/NOI is projected to be comfortable at 4.1-4.3 times as of March 2027 (PY: 5.2 times), with adequate debt service coverage metric at five-year average DSCR of 1.30-1.35 times during FY2027-2031. IBC Knowledge Park is favourably located at Bannerghatta Road, near major business hubs like Koramangala and Jayanagar, providing good connectivity to public transport and enhancing its marketability. The rating considers the established track record of the India Builders Corporation (IBC) Group in the real estate asset development and management, delivering over 15 msf of area, including marquee projects like IBC Knowledge Park and Diamond District in Bengaluru.

The rating, however, is constrained by the moderate tenant concentration risk with top five tenants contributing to around 49% of the rental income and occupying ~47% of the leased area. Leases covering around 34% of the leased area are due for renewal in FY2027-2028, exposing the company to lease renewal risk. The company faces high geographical risk as its entire office leasable area is in Bengaluru. Nonetheless, the risks are partly mitigated by the competitive rental rates, reputed tenant profile, sustained healthy occupancy levels and favourable location. The rating factors in the volatility in occupancy caused by economic downturns, which could impact the tenants' business risk profile. Further, the debt coverage metrics will be sensitive to fluctuations in interest rates, occupancy levels and scheduled escalation of rents.

The Stable outlook on the rating reflects ICRA's opinion that the company will maintain healthy occupancy levels, aided by the favourable location, while sustaining comfortable leverage and adequate debt coverage metrics.

Key rating drivers and their description

Credit strengths

Favourable location and healthy occupancy levels – The company operates three commercial office assets with a total leasable area of 2.3 msf and occupancy levels of ~87% as of March 2026. The reputed tenant profile includes Reliance Projects and Property Management Services Limited (RPPMSL), Ather Energy Limited and Climate ETC Technology Services Private Limited, among others.

Comfortable leverage and adequate debt coverage metrics – The company has an outstanding total external debt of around Rs. 1,325 crore as on March 31, 2026, with weighted average tenure of ~12 years. The NOI is expected to improve by 15-17% in FY2027 (PY: Rs. 260.6 crore), backed by incremental leasing and timely rental escalations. The company's leverage metric as measured by total debt/NOI is projected to remain comfortable at 4.1-4.3 times as of March 2027 (PY: 5.2 times). The debt service coverage metrics are likely to be adequate, with five-year average DSCR of 1.30-1.35 times in FY2027-2031, supported by improvement in NOI levels due to incremental leasing, timely rental escalations and scheduled repayment of lease rental discounting (LRD) loans.

Established market position of IBC Group – The IBC Group, promoted by Mr. Ziaulla Sheriff, is a family-owned real estate group with an established track record of more than five decades in real estate development. It has delivered over 15 msf of area across nine countries including India. IBC Knowledge Park is favourably located at Bannerghatta Road, Bengaluru, near major business hubs like Koramangala and Jayanagar, providing good connectivity to public transport enhancing its marketability. The upcoming and operational metro stations in the vicinity are expected to further improve its accessibility.

Credit challenges

Exposed to high geographical and moderate tenant concentration risks – The company is exposed to high geographical risk as the entire Grade-A office leasable area is concentrated in Bengaluru. It is susceptible to moderate tenant concentration risk, with the top five tenants occupying over 47% of the leased area contributing around 49% of the annual rental income. Leases covering around 34% of the leased area are due for renewal in FY2027-2028, indicating the lease renewal risk. However, the competitive rental rates, reputed tenant profile, sustained healthy occupancy levels and favourable location provide comfort and mitigate the risks to an extent.

Vulnerable in debt coverage metrics due to changes in interest rates and occupancy levels – The rating factors in the volatility in occupancy caused by economic downturns, which could impact the tenants' business risk profile. Further, the debt coverage metrics will be sensitive to fluctuations in interest rates, occupancy levels and timely scheduled escalation of rents.

Liquidity position: Adequate

The company's liquidity profile is adequate, supported by free cash and cash equivalents of around Rs. 26 crore as on March 31, 2026. Further, IBCKPPL has principal repayments and interest obligations on external debt of around Rs. 185-190 crore in FY2027. It has planned capital expenditure of Rs. 80-100 crore in FY2027-2028, which are expected to be adequately met from its cash flow from operations.

Rating sensitivities

Positive factors – The rating can be upgraded if there is an increase in the occupancy levels and a material improvement in debt coverage metrics while maintaining adequate leverage metrics on a sustained basis.

Negative factors – Downward pressure on the rating could arise if there is any material decline in occupancy levels or significant increase in indebtedness resulting in deterioration of debt protection metrics. Further, significant loans and advances adversely impacting liquidity is also a credit negative. Specific trigger for a rating downgrade includes the five-year average DSCR falling below 1.20 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Leasing
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

IBC Knowledge Park Private Limited (IBCKPPL), incorporated in August 2002, is the flagship company under the Bengaluru-based India Builders Corporation (IBC) Group. The company is engaged in the development and leasing of Grade-A commercial office space with a total leasable area of 2.3 msf. Its operational assets include IBC Knowledge Park on Bannerghatta Road (company's share: 1.75 msf), Diamond District (0.46 msf) and Golden Tower (0.10 msf) on HAL Old Airport Road, which cater mainly to large corporates, IT/ITES companies, and multinational tenants. IBCKPPL has a four-screen multiplex in Shivamogga, fully leased to Cineplex Private Limited. The company has invested in various companies (domestic and overseas) involved in the real estate business.

Key financial indicators (audited)

Standalone	FY2025	FY2026*
Operating income	302.5	309.1
PAT	82.9	87.0
OPBDITA/OI	74.1%	71.8%
PAT/OI	27.4%	28.1%
Total outside liabilities/Tangible net worth (times)	2.0	1.7
Total debt/OPBDITA (times)	6.3	6.1
Interest coverage (times)	1.9	2.0

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 amortisation; * Provisional numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 10, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Term loans	Long-term	1,312.99	[ICRA]A- (Stable)	-	-	-	-	-	-
Unallocated Limits	Long-term	37.01	[ICRA]A- (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loans	Simple
Long-term – Unallocated Limits	NA

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	Fund-based – Term loans	October 2018	7.8%	March 2040	1,312.99	[ICRA]A- (Stable)	RBI
NA	Unallocated Limits	NA	NA	NA	37.01	[ICRA]A- (Stable)	RBI

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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