



Press Release

IBC Knowledge Park Private Limited

May 27, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	1380.46* (Enhanced from 1177.43)	IVR A/ Stable (IVR Single A with Stable Outlook)	IVR A/ Stable (IVR Single A with Stable Outlook)	Reaffirmed	Simple
Total	Rs. 1380.46 Cr (Rupees One Thousand Three Hundred and Eighty Crore and Forty-Six Lakh only)				

**The Term Loan (Lease Rental Discounting) rated in the previous year amounting to Rs. 28.01 crore has been withdrawn based on No Due Certificate from the lender and at the request of the company and the same is in line with Infomerics policy on withdrawal.*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed the ratings of the bank facilities of IBC Knowledge Park Private Limited (IBCKPPL), reflecting the company's strong fundamentals supported by experienced promoters and management team. The presence of a master lease agreement with clients ensures stable and predictable lease rental income, while the strategic location of its properties and a roster of reputed lessees help minimize counterparty risk. The company also benefits from a healthy occupancy level, an escrow mechanism, debt service reserve account (DSRA) support, and comfortable debt protection metrics, all contributing to financial stability.

However, the ratings are constrained by IBCKPPL's substantial exposure to group companies, project execution risk associated with the under-construction Tower G, client concentration and renewal risks related to the master lease agreement, and the inherent cyclicity of the real estate sector.

The 'Stable' outlook reflects the company's adequate cash surplus position over the medium to long term, indicating a steady financial outlook.



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Key Rating Sensitivities:

Upward Factors

- Significant change in macroeconomics factors.

Downward Factors

- Any company related and/or external factor leading to less than projected cash flows will.
- Any further incremental debt and/or any further construction to increase leasable area apart from proposed Tower G impacting the company's liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters and management team

IBCKPPL was established by Mr. Yunus Zia, Mrs. Sharmeen Yunus, Mr. Danish Sheriff, and Mr. Azeem Sheriff. The founding promoters bring with them over two decades of extensive experience in the real estate sector. Their industry knowledge and strategic vision have been instrumental in the company's growth and operations. Together with a capable and experienced management team, the promoters actively oversee the day-to-day functioning of the organization. Their leadership and industry insight have enabled IBC Knowledge Park Private Limited to secure leasing agreements with several prominent companies.

Master lease agreement with the clients

IBC Knowledge Park Private Limited (IBCKPPL) operates two software technology parks located at Bannerghatta Road and Diamond District in Bangalore. The company has entered into a Master Lease Agreement with multiple tenants, under which IBCKPPL acts as the lessor and the tenants as lessees.

Strategic location of the property

IBCKPPL's existing properties are situated in established commercial corridors of Bangalore—IBC Knowledge Park on Bannerghatta Road, near Koramangala, and Diamond District near Domlur. These locations offer connectivity to key business and residential hubs



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such as MG Road and Koramangala, and are surrounded by hotels, retail outlets, and other urban infrastructure. The accessibility and presence of supporting amenities contribute to consistent demand for office spaces in these areas. The combination of functional infrastructure, location advantage, and market-aligned rental rates supports stable occupancy levels and lowers leasing risk.

Reputed lessees minimising counter party risk

IBCKPPL has established and sustained long-term leasing relationships with well-known multinational and domestic companies, including Reliance Projects and Property Management Services Limited, Ather Energy Private Limited, Temenos India Private Limited, Ingersoll Rand Tech and Services Private Limited, Medi Assist Healthcare, Think and Learn, Rambus Chip Technologies, Experis IT Private Limited, and BCD Travels Private Limited, among others. The presence of established tenants enhances the stability of rental income and reduces counterparty credit risk—particularly relevant in lease rental discounting structures, where predictability and reliability of cash flows are critical to servicing debt obligations.

Stable cash flow from lease rentals supported by healthy occupancy rate

IBCKPPL leases its space to approximately 80 MNC's and maintaining healthy relationships with them, which provides a consistent monthly flow of income. The total income of the company stood at Rs. 302.12 crore in FY24 (refers to period April 1st, 2023, to March 31st, 2024), as against Rs. 250.07 core in FY23 (refers to period April 1st, 2022, to March 31st, 2023). The Projections indicate a promising outlook, with a constant increase in Lease Rental Receivables over the years. Additionally, occupancy rates at around 94% for both buildings continue to be healthy. In FY25 (refers to period April 1st, 2024, to March 31st, 2025) the company has booked the total operating income of Rs. 325.85 crore.

Escrow mechanism and DSRA support

The company has maintained a Debt Service Reserve Account (DSRA) with its lender banks, in line with the sanction terms, equivalent to a maximum of six months' repayment obligations, including principal and interest. An escrow account is also maintained, into which rental payments are directly deposited by the tenants.

Comfortable debt protection metrics



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The company's debt protection metrics remained comfortable, with an Interest Service Coverage Ratio (ISCR) of 1.73x in FY24 compared to 1.79x in FY23. Its liquidity position is considered adequate, supported by steady rental income that sufficiently covers future debt repayments. Additionally, the rated loan benefits from liquidity support through a Debt Service Reserve Account (DSRA), as stipulated in the sanction terms. As of March 31, 2024, the company held cash and cash equivalents totalling Rs. 28.90 crore.

Key Rating Weaknesses

Client concentration risk & renewal risk of master lease agreement

Out of the total 94% occupancy, approximately 45.72% (11,01,258 sq. ft.) is leased to five major tenants—Reliance Projects and Property Management Services Private Limited, Ather Energy Private Limited, Temenos India Private Limited, Ingersoll Rand Tech & Services Private Limited, and Alten Calsoft Labs India. This high dependence on a few clients results in a concentration risk, as any non-renewal of leases or reduction in rental rates could adversely impact the company's cash flows.

Project risk associated with under-construction Tower G

The under-construction tower i.e. Tower G at IBC Knowledge Park – Bannerghatta Road (approximately 6.00 lakh sq. ft.) carries project-related risks primarily due to the possibility of delays in completion, cost escalations, and difficulties in securing tenants promptly after construction.

Substantial exposure in group companies

IBCKPPL has considerable exposure to its group companies and subsidiaries through both equity and debt investments. Any unfavourable developments or underperformance in these entities could affect IBCKPPL's surplus liquidity, given its strong moral commitment to support them. As a result of this exposure, the company's capital structure remains stressed, with overall gearing at -2.54x in FY24 (compared to -2.44x in FY23) and TOL/TNW at -2.86x in FY24 (FY23: -2.75x). However, the company book tangible net worth of Rs. 704.08 crore in FY24.

Susceptibility to cyclicalities inherent in the real estate sector



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The real estate sector is volatile in nature with an inherent risk associated with it. There may be fluctuations in cash flow due to delayed realization & changes in regulatory requirements and market preferences.

Analytical Approach: Standalone

Applicable Criteria:

[Lease Rental Discounting \(LRD\) – Rating Methodology.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of Ratings.](#)

Liquidity – Adequate

The liquidity profile is adequate backed by stable rental inflows which are sufficient to cover the maturing debt obligations. Also, the rated loan is backed by liquidity support in the form of DSRA as per the sanction term. The company maintains cash and cash equivalent amounting to INR 28.90 Crore as on March 31, 2024.

About the company

IBC Knowledge Park Private Limited (IBCKPPL), headquartered in Bangalore and established in 2002, is engaged in the leasing of commercial spaces. The company owns two commercial properties in Bangalore: IBC Knowledge Park – Diamond District, with a total leasable area of 4.36 lakh square feet, and IBC Knowledge Park – Bannerghatta Road, with a total leasable area of 19.72 lakh square feet. Together, these properties offer a total leasable area of 24.08 lakh square feet.



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Financials (Standalone)

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	248.70	287.69
EBITDA	185.08	202.54
PAT	57.03	73.55
Total Debt	1306.56	1314.76
Tangible Net Worth	-534.77	-517.75
EBITDA Margin (%)	74.42	70.40
PAT Margin (%)	22.80	24.35
Overall Gearing Ratio (x)	-2.44	-2.54
Interest Coverage (x)	1.79	1.73

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date (April 25, 2024)	-	-
1.	Term Loan (Lease Rental Discounting)	Long Term	1380.46*	IVR A/ Stable	IVR A/ Stable	-	-

* The Term Loan (Lease Rental Discounting) rated in the previous year amounting to Rs. 28.01 crore has been withdrawn based on No Due Certificate from the lender at the request of the company and the same is in line with Infomerics policy on withdrawal.

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About Infomerics:

Infomerics Valuation and Rating Ltd. (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd.] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan (Lease Rental Discounting)	-	-	-	March 2038	115.81	IVR A/Stable
	-	-	-	December 2032	12.75	IVR A/Stable
	-	-	-	January 2034	206.48	IVR A/Stable
	-	-	-	March 2040	123.49	IVR A/Stable
	-	-	-	September 2038	451.05	IVR A/Stable
	-	-	-	July 2036	78.00	IVR A/Stable
	-	-	-	October 2037	233.68*	IVR A/Stable
	-	-	-	March 2039	159.20	IVR A/Stable

**Includes Overdraft of Rs. 10.00 crore which is a sublimit of LRD Term Loan.*

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-IBCKPPL-may25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.