

February 09, 2026

## Prabha Builders and Developers: [ICRA]BBB- (Stable) assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	172.00	[ICRA]BBB- (Stable); assigned
Long-term – Unallocated limits	3.0	[ICRA]BBB- (Stable); assigned
<b>Total</b>	<b>175.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating assigned to Prabha Builders and Developers (PBD) factors in the healthy occupancy of 100% for its share of leasable area of 0.37 million square feet (msf) in the completed commercial office asset, Sattva Horizon, along with adequate leverage metrics in the medium term. The project, Sattva Horizon with a total leasable area of 1.08 msf, was developed via joint development agreement (JDA) between PBD (landowner) and the Bengaluru-based Sattva Group. The project got completed in August 2024 and is fully leased to a reputed tenant, the Amazon Group. PBD's leverage is expected to be adequate with Total debt/Annualised Net operating income (NOI) around 6.8-7.3 times as of March 2026 and March 2027. The rating positively notes the favourable location of the asset in Bagalur Cross, North Bengaluru. The micromarket has adequate social infrastructure and good connectivity with the rest of the city via major roads and the upcoming blue metro line, enhances its marketability.

The rating is, however, constrained by PBD's exposure to high tenant concentration risk, with the entire area being leased out to a single tenant, the Amazon Group. Nevertheless, the reputed tenant profile, along with significant fitouts by the tenants, enhances its stickiness. The rating factors in the moderate debt coverage metrics, as reflected by 5-year average DSCR of around 1.15-1.17 times during FY2026-FY2030. The rating notes the high asset concentration risk, with revenues entirely dependent on one property and the company's exposure to inherent cyclicity and external factors in the real estate industry. The rating considers the vulnerability of its debt coverage metrics to factors such as changes in interest rates or reduction in occupancy levels. Amid minimal capex plans in the medium term, the firm is also exposed to risk of large fund withdrawal by the partners, which can impact the liquidity profile.

The Stable outlook on PBD's rating reflects ICRA opinion that the company will benefit from the favourable location of the project and healthy occupancy levels resulting in adequate leverage and liquidity position.

### Key rating drivers and their description

#### Credit strengths

**Healthy occupancy and adequate leverage** – The project, Sattva Horizon with a total leasable area of 1.08 msf, was developed via a JDA between PBD (landowner) and the Bengaluru-based Sattva Group. The project got completed in August 2024 and is fully leased to a reputed tenant, Amazon Group. At present, PBD holds around 0.37 msf of leasable area and the remaining leasable area in the asset was transferred by the developer to the Blackstone-Sattva sponsored REIT, Knowledge Realty Trust (rated [ICRA]AAA (Stable)), in August 2025. Against its share of rentals in the asset, the firm has availed an LRD loan of Rs. 172.0 crore in October 2025, with around Rs. 140.0 crore disbursed as of December 2025. Overall, the leverage metrics, as

reflected by Debt/Annualised NOI is expected to be adequate in the range of 6.8-7.3 times as on March 31, 2026 and March 31, 2027 respectively.

**Favourable location of asset** – The project, Sattva Horizon, is located in Bagalur Cross, in North Bengaluru, which is witnessing healthy growth in real estate, supported by its proximity to the Kempegowda International Airport and other infrastructure developments. The micromarket has adequate social infrastructure and good connectivity with the rest of the city via major roads and the upcoming blue metro line, enhances its marketability.

### Credit challenges

**Moderate debt coverage metrics** – The company’s debt coverage metrics are expected to be moderate as reflected by 5-year average DSCR of 1.15-1.17 times during FY2026-2030. Given that the rentals are starting from H2 FY2026, the debt obligations in FY2026 are likely to be met via the available liquidity and cash flow from operations.

**Exposed to tenant and asset concentration risks** – PBD is exposed to high tenant concentration risk, wherein the entire asset (including PBD’s share of 0.37 msf) is fully occupied by the Amazon Group. Nevertheless, the reputed tenant profile, along with significant fitouts by the tenants, enhances its stickiness. The rating factors in the company’s single-asset nature, with its revenues entirely dependent on one property, thereby exposing it to high asset concentration risk.

**Vulnerability to cyclicity and changes in interest rate** – The company is exposed to the inherent cyclicity in the real estate industry and vulnerability to external factors. The rating notes the susceptibility of its debt coverage metrics to factors such as changes in interest rates or reduction in occupancy levels.

### Liquidity position: Adequate

PBD’s liquidity is adequate with free cash balance and liquid investments of Rs. 10.7 crore as on March 31, 2025. While the company’s debt servicing obligations of Rs. 13.9 crore in FY2026 is expected to be met via the available liquidity and cash flow from operations, its debt servicing obligations of Rs. 15.0-16.0 crore in FY2027 (which will be first year of full operations of Sattva Horizon) can be met adequately from its cash flow from operations. Further, the company does not have any major capex plans in the medium term.

### Rating sensitivities

**Positive factors** – ICRA could upgrade PBD’s rating if the company demonstrates a sustained improvement scale of operations while maintaining healthy debt protection metrics on a sustained basis.

**Negative factors** – Pressure on the rating could arise in case of any material delay in rental collections or significant decline in occupancy levels/rental rates, or a significant increase in indebtedness, resulting in weakening of debt protection metrics and the liquidity position on a sustained basis.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Realty - Lease Rental Discounting (LRD)</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone.

## About the company

Promoted by Mr. Vijay Singh and Dr. Ajay Singh, the partnership entity, Prabha Builders and Developers (PBD) is a part of the Value and Assets Group, which primarily develops residential and commercial real estate projects. The firm (land owner) entered into a JDA with the Bengaluru-based, Sattva Group (developer) in March 2018, to develop a commercial office project, Sattva Horizon, in Bagalur Cross, Bengaluru. The office project, constructed upon 6.3 acres with a total leasable area of 1.08 msf, is completed and received occupancy certificate in August 2024. Out of the total leasable area, PBD's share corresponds to 0.37 msf, which is fully leased as on date.

### Key financial indicators (audited)

PBD (Standalone)	FY2024	FY2025
Operating income	4.8	14.5
PAT	1.1	76.2
OPBDIT/OI	83.9%	88.6%
PAT/OI	22.7%	524.8%
Total outside liabilities/Tangible net worth (times)	- 1.8	277.1
Total debt/OPBDIT (times)	19.8	9.8
Interest coverage (times)	1.4	1.6

Source: Company, ICRA Research; 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 (FY2026)				Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Feb 09, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	172.00	[ICRA]BBB-(Stable)	-	-	-	-	-	-	-	-
Unallocated limits	Long Term	3.00	[ICRA]BBB-(Stable)	-	-	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loan	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
NA	<b>Fund-based-Term loan</b>	FY2026	7.6%	FY2041	172.00	[ICRA]BBB- (Stable)
NA	<b>Unallocated limits</b>	NA	NA	NA	3.00	[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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