

June 05, 2026

## Pune Business Spaces Private Limited: Rating reaffirmed; rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund based – Term loans	585.00	1000.00	[ICRA]A- (Stable); reaffirmed and assigned for enhanced amount
<b>Total</b>	<b>585.00</b>	<b>1000.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The rating reaffirmation for Pune Business Spaces Private Limited (PBSPL) factors in the receipt of occupancy certificate for its asset, Panchshil Business Hub, in December 2025, steady occupancy [including letter of intent (LOI)] at 81% and adequate debt coverage metrics. The asset is favourably located in Kharadi, Pune with a total leasable office space of 1.2 million square feet (msf), enhancing its marketability. The rentals have commenced for 31% of total leased area as of April 2026. The rentals for the balance leased area are expected to commence in a phased manner in FY2027. The debt coverage metrics are likely to remain adequate with five-year average debt service coverage ratio (DSCR) projected to be in the range of 1.30-1.35 times during FY2027-2031. The rating draws comfort from the established track record of the Panchshil Group, which has delivered over 39 msf of real estate projects and another 41.5 msf is under development across multiple asset classes (residential, office, retail, hotels and convention centres).

The rating is, however, constrained by the exposure to market risk for 19% of the area, which is yet to be tied up. The company is in the advanced discussions with the existing tenant for the entire vacant area, which, along with favourable location of the asset mitigates the risk to an extent. While the company has sanctioned lease rental discounting (LRD) debt of Rs. 1,000 crore, the debt drawdown is estimated to be around Rs. 770 crore. The leverage measured by Total External Debt/Annualised NOI is likely to be elevated around 8.0-8.2 times as of March 2027. However, post leasing of the balance area, the leverage is expected to be adequate at 5.6-6.0 times as of March 2028. The company is exposed to high tenant concentration risk in the asset, with a single tenant occupying the entire leased area. Nonetheless, the risk is partially offset by the reputed tenant profile and long lease tenure with adequate lock-in period. The company is exposed to high geographical and asset concentration risks inherent in a single-project portfolio. The rating notes the vulnerability of debt coverage metrics to factors such as changes in interest rates or reduction in the occupancy levels.

The Stable outlook reflects ICRA's opinion that the company's occupancy is likely to ramp-up, supported by the favourable location of the asset, along with timely rental commencement, while maintaining adequate debt coverage metrics.

### Key rating drivers and their description

#### Credit strengths

**Healthy occupancy levels; adequate debt coverage metrics** – The project has a leasable area of 1.2 msf, of which ~81% has been leased (including LOI). The rentals commenced for 31% of total leased area as of April 2026. The rentals for the balance leased area are expected to commence in a phased manner in FY2027. The debt coverage metrics are likely to remain adequate with five-year average DSCR projected to be in the range of 1.30-1.35 times during FY2027-2031.

**Favourable project location** – The occupancy certificate for the project was received in December 2025. The property is in Kharadi, Pune, with good connectivity and socio-civic infrastructure, which improves its marketability, resulting in healthy occupancy levels.

**Established track record of sponsor in managing commercial real estate assets** – PBSPL is a part of the Pune-based Panchshil Group. The Panchshil Group has delivered over 39 msf of real estate projects and another 41.5 msf is under development across multiple asset classes (residential, office, retail, hotels and convention centres). The strong promoter group and their demonstrated track record in real estate development lend financial flexibility to PBSPL.

### Credit challenges

**Exposure to market risk; moderate leverage levels** – The company is exposed to market risk for 19% of the area, which is yet to be tied up. ICRA notes that the company is in advanced discussions with the existing tenant for the entire vacant area, which, along with favourable location of the asset mitigates the risk to an extent. The company refinanced its construction finance loan with an LRD loan, with a top-up of Rs. 415 crore. While the company has sanctioned LRD debt of Rs. 1,000 crore, the debt drawdown is estimated to be around Rs. 770 crore and the leverage measured by Total External Debt/Annualised NOI is likely to be elevated around 8.0-8.2 times as of March 2027. However, post leasing of the balance area, the leverage is expected to be adequate at 5.6-6.0 times as of March 2028.

**High tenant concentration risk** – The company is exposed to high tenant concentration risk in the asset, with a single tenant occupying the entire leased area. Nonetheless, the risk is partially offset by the reputed tenant profile and long lease tenure with adequate lock-in period.

**Geographical and asset concentration risks** – The company is exposed to high geographical and asset concentration risks inherent in a single project portfolio.

### Liquidity position: Adequate

The liquidity position remains adequate. The company has free cash and liquid investments of Rs. 3.5 crore as on March 31, 2026. The debt repayment obligations for the term loan for FY2027 are expected to be partly met from cash flow from operations and from fund infusion by promoters, as the rent commencement for the leased area is in a phased manner.

### Rating sensitivities

**Positive factors** – The rating can be upgraded in case of an increase in the occupancy and rental commencement for the entire leased area, resulting in improvement in debt protection metrics and liquidity position on a sustained basis.

**Negative factors** – Pressure on the rating could arise, if there is any material decline in occupancy levels or significant increase in indebtedness resulting in weakening of debt coverage and leverage metrics. Specific credit metric that could lead to a rating downgrade is five-year average DSCR remaining below 1.20 times on a sustained basis.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Realty – Leasing</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Pune Business Spaces Private Limited (PBSPL) is developing a commercial office project, Panchshil Business Hub, at Kharadi in Pune. The project comprises one building with a total leasable area of 1.2 msf. The OC for the project was received in December 2025. The Panchshil Group holds a 100% stake in PBSPL.

**Key financial indicators (audited) - Not Applicable for a project company**

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jun 05, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund-based-Term loan</b>	Long Term	1,000.00	[ICRA]A- (Stable)	Jul 08, 2025	[ICRA]A- (Stable)	-	-	-	-

## Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ Fis (\$) )	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** 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.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Term loans	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 II: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	Jan 2026	NA	Dec 2041	1000.00	[ICRA]A- (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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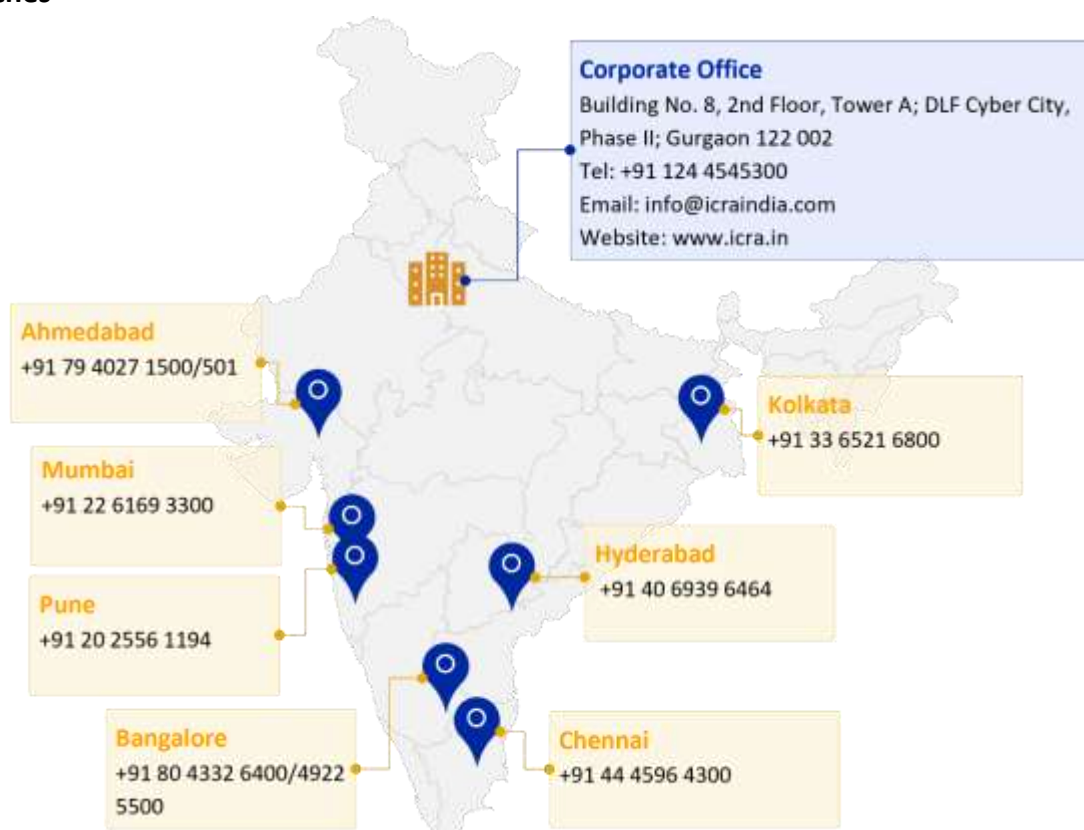
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