



Press Release
PRADHAAN CITY K R PURAM PRIVATE LIMITED
July 23, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	120.00	ACUITE B+ Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	120.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned its long-term rating of '**ACUITE B+**' (**read as ACUITE B Plus**) on the Rs. 120.00 Cr. Proposed Non-Convertible Debentures of Pradhaan City K R Puram Private Limited(PCKRPPL). The outlook is '**Stable**'.

Rationale for rating assigned

The rating assigned factors in the experienced management and established track record of the Inspira Builders of around two decades in real estate business. The group has developed over 1.5 million square feet across residential, commercial, and retail spaces in and around Bangalore. However, the rating is constrained by nascent stage of ongoing project in PCKRPPL denoting high project execution, funding and offtake risk and susceptibility towards inherent cyclicity in the real estate industry.

About the Company

Pradhaan City K R Puram Private Limited (PCKRPPL) incorporated in January 2025. The Company is registered as an SPV at Bangalore South, Karnataka. The company has been set up for development of Residential project namely Pradhaan City K R Puram. The Directors of the Company are Mr. Uduvare Rangaswamy Prabhu and Ms. Jayaram Deepika.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered standalone business and financial risk profiles of PCKRPPL to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of the group with experienced management

PCKRPPL is a special purpose vehicle (SPV) set up by Inspira Builders LLP, a Bangalore-based real estate developer engaged in commercial and residential projects. The firm is managed by Mr. Prabhu Ur, Mr. Aravind MS, and Mr. Akarsh Reddy. The group has over two decades of experience in real estate development through various executed projects. Inspira Group has completed ~18 projects and is currently has 4 ongoing projects. The group has delivered over 1.5 million square feet of residential and commercial spaces. At present, PCKRPPL is undertaking the development of multi-storied residential apartments across ~23 acres namely 'Pradhaan City K R Puram', planned in three phases, with 2 to 3 towers in each phase. Acuité believes the promoters' industry experience is expected to support PCKRPPL in successful execution of the project.

Weaknesses

Nascent stage of the project

The project is currently at a nascent stage of development. The land is fully owned by the landowners, who, along

with the developers, are yet to execute a Joint Development Agreement (JDA) with House of Pradhaan LLP, the designated developer. Following the execution of the JDA, the developer will be required to obtain statutory approvals, including layout plans, building permits, environmental and aviation clearances, and register the project under RERA. These approvals and the RERA registration are expected to be completed within six months of signing the JDA. Acuité believes that timely commencement of the project execution by obtaining all the approvals and registration would remain a rating monitorable.

High Project Execution Risk

The project, Pradhaan City KR Puram, is currently at a nascent stage with the Joint Development Agreement (JDA) with Landowners and House of Pradhaan LLP yet to enter along with pending statutory approvals, including RERA registration. Construction is expected to commence in Q1 FY2026 spanning over 4 to 5 years. The total estimated cost of the project is ~Rs. 1,558 Cr. This is proposed to be funded through promoters contribution of ~Rs. 54 Cr., Rs.120 Cr. through Non-Convertible Debentures (NCDs), and Rs.1,384 Cr. from customer advances. Of the promoter contribution, Rs.20 Cr. has already been infused as an advance to landowners. The NCDs have been sanctioned with a term sheet in place; however, the issuance is pending. The project is therefore significantly reliant on customer advances, which are expected to be mobilized post-launch.

Project implementation risk remains high due to the early stage of development and pending approvals. Funding risk is also elevated, given the dependence on customer advances and the pending issuance of NCDs. Demand risk is assessed high as well, considering nascent stage of the project, however these risks are mitigated to an extent as location of the project is with proximity to the Metro and Ring Road in Bangalore. Acuité believes that any delay in commencement and completion of the project likely to lead to the cost or time overruns, thus it will remain a key rating sensitivity.

Susceptibility to geographical concentration, real estate cyclical, regulatory risks and intense competition in the industry

The operations of the group are majorly located in and around Bangalore which keeps the firm exposed to geographic concentration risk. Further, the real estate industry in India is highly fragmented with most of the real estate developers, having a city specific or region-specific presence. The risks associated with real estate industry are cyclical in nature and directly linked to drop in property prices and interest rate risks, which could affect the operations. The firm's track record, quality of construction and delivery timelines will be crucial aspects that home buyers will consider in their purchase decisions. Moreover, the industry is also exposed to certain regulatory risks linked to stamp duty and registration tax directly impacting the demand and thus the operating growth of real estate players. Hence, business risk profile will remain susceptible to risks arising from any industry slowdown.

Rating Sensitivities

- Timely commencement and completion of the project without any time and cost overruns
- Timely sale of unsold inventory and augmentation customer advances
- Any sharp decline in cash flow resulting in cash flow mismatches due to delays in project execution or industry slowdown

All Covenants

- Developer to obtain all required statutory approvals and Rera Registration
- Comply with ESG standard as prescribed by investor
- Appointment of DM
- All Receipts from sales of units would flow into hundred percent collection account(escrow account) which would be operated & controlled by investor

Liquidity Position

Adequate

The company's liquidity position is expected to remain adequate to support debt servicing in the near-to-medium term on account of presence of escrow account to ensure timely repayment of proposed NCDs. Further, if the project is completed on a timely basis with augmentation of adequate customer advances, the net cash accrual are expected to be sufficient to repay the maturing debt obligations. However, timely commencement and implementation of the project and generation of expected cash accrual will remain as a key rating sensitivity factor.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	(0.01)	0.00
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	5.39	0.00
PBDIT/Interest	Times	0.00	0.00

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	120.00	Simple	ACUITE B+ Stable Assigned

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About Acuité Ratings & Research

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