April 14, 2025

Purva Oak Private Limited: [ICRA]BBB (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Proposed non-convertible debenture programme	210.0	[ICRA]BBB (Stable); assigned
Total	**210.0**	

**Instrument details are provided in Annexure-I*

Rationale

The assigned rating for Purva Oak Private Limited (POPL) favourably factors in the company's strong parentage, Puravankara Limited (PL), rated [ICRA]A- (Stable)/ [ICRA]A2+. The Puravankara Group has an established track record of over three decades in the residential real estate market, especially in the southern part of India and has developed over 51.5 million square feet (msf) of saleable area as of December 2024. POPL has acquired an under-construction residential project at Ghodbunder Road, in Thane West, of 12.77 acres. The project, now Purva Panaroma, has a total saleable area of 3.0 msf, comprising 7 residential towers of 2.74 msf (Tower 1, 6, A, B, C, D and E) and 1 retail tower of 0.26 msf. Towers 1 and 6 (saleable area 0.41 msf) were launched by the erstwhile developer, who had sold ~0.22 msf area, with committed receivables of Rs. 62.5 crore. Recently, one of the towers, Tower C, secured approvals and was launched for sale in March 2025. Moreover, the rating considers the favourable location of the project in Thane (West), Mumbai, which aids in saleability for the project. The rating notes the expected support from the parent company, in case of any funding requirement, given the strategic importance of POPL for the parent and the parent's reputation sensitivity to default.

The rating is, however, constrained by the significant execution risk and market risk. Towers 1 and 6 are in advanced stages of construction, with Tower C, at initial stages of construction, while the other towers are likely to be launched in FY2027 and FY2028, thereby exposing the company to execution risk. Moreover, the construction cost of the project will primarily be met by customer advances, which are highly dependent on sales, leading to funding risk. Nonetheless, the Puravankara Group's strong track record of project execution and sales provides comfort. Moreover, the company plans to repay the existing CPs of Rs. 200 crore (issued in January 2025) by raising the proposed NCDs rated. The existing NCDs of Rs. 220 crore have bullet repayment in FY2027. The proposed NCDs are expected to have majority of its repayment in FY2028, thus exposing the company to refinancing risk. The rating is also constrained by the cyclicality risk inherent in the real estate business, high geographical concentration risk with dependence on a single micromarket in Thane for the project.

The Stable outlook on the [ICRA]BBB rating reflects ICRA's opinion that the company will benefit from the favourable project location, supporting healthy saleability along with the strong parent support, which lends operational synergies.

Key rating drivers and their description

Credit strengths

Strong promotor group with established track record – The Puravankara Group has a track record of over three decades in the real estate market. It has presence in both premium and affordable housing segments under the brands – Puravankara and Provident, respectively. The Group has demonstrated project execution capabilities with completion of saleable area of over 51.5 msf as of December 2024, supported by engagement of reputed civil contractors. The Group has a strong presence in Bangalore and has been able to successfully diversify into new geographies such as Pune, Hyderabad and Mumbai, by gaining market share. Majority of its planned launches is for the Mumbai location. POPL's association with PL and its ability to use the brand name Puravankara enables it to benefit from PL's strong brand image, experience and project execution capabilities.

Healthy demand prospects owing to favourable location of project – The project, Purva Panaroma, is located on Ghodbunder road, in Thane West, a developing residential hub. It also has a strong social infrastructure with IT parks, schools, malls and hospitals within 3-4-km radius. The location has witnessed a strong real estate demand due to improving transportation connectivity and better road infrastructure, which aids in saleability for the project.

Credit challenges

Exposure to execution and market risks – Towers 1 and 6 of Purva Panaroma are in advanced stages of construction, with Tower C, at initial stages of construction, while the other towers are likely to be launched in FY2027 and FY2028, thereby exposing the company to execution risk. Further, the construction cost of the project will primarily be met by customer advances, which are highly dependent on sales, leading to funding risk. Nonetheless, the Puravankara Group's strong track record of project execution and sales provides comfort.

Exposed to refinancing risk – The company plans to repay the existing CPs of Rs. 200 crore (issued in January 2025) by raising the proposed NCDs rated. The existing NCDs of Rs. 220 crore have bullet repayment in FY2027 and the proposed NCDs are expected to have majority of its repayment in FY2028, thus exposing the company to refinancing risk.

Geographical concentration risk along with vulnerability to external factors – POPL faces high geographical concentration risk with dependence on a single micromarket in Thane for the project. Also, being a cyclical industry, the real estate sector is highly dependent on macroeconomic factors, which exposes the company's sales to any downturn in demand.

Liquidity position: Adequate

The liquidity position is adequate. As on March 31, 2025, the cash and liquid investments stood at Rs. 21.5 crore. The scheduled debt obligations of FY2026 are likely to be met primarily by debt refinancing and estimated cash flow from operations. The parent/group is expected to provide funding support, in case a need arises.

Rating sensitivities

Positive factors – Significant increase in sales and collections resulting in healthy debt protection metrics, on a sustained basis, may trigger a rating upgrade.

Negative factors – Subdued sales or collections or significant delays in project launches, adversely affecting cash flow from operations and debt protection metrics, could lead to a rating downgrade. The rating will also be sensitive to the deterioration of the credit profile of the parent, Puravankara Limited, or weakening of financial linkages with its parent company.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail
Parent/Group support	Puravankara Limited ICRA expects the parent, Puravankara Limited (PL), to provide timely financial support to POPL, for funding shortfall, if any, given their strategic importance for the parent and PL's reputation sensitivity to default.
Consolidation/Standalone	Standalone

About the company

Purva Oak Private Limited (POPL), incorporated in 2016, is a wholly-owned subsidiary of Puravankara Limited. POPL has acquired an under-construction residential project at Ghodbunder Road, in Thane West, of 12.77 acres. The project, now Purva Panaroma, has a total saleable area of 3.0 msf, comprising 7 residential towers of 2.74 msf and 1 retail tower of 0.26 msf. Towers 1 and 6 (saleable area 0.41 msf) were launched by the erstwhile developer who had sold ~0.22 msf area, while tower C of 0.52 msf area, was launched by POPL in March 2025 (project completion date as per RERA being March 31, 2031). The other towers are expected to be launched in phases in FY2027 and FY2028.

Key financial indicators: Not meaningful as the company is currently in the project stage.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)				Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Proposed NCDs	Long Term	210.0	Apr-14-25	**[ICRA]BBB (Stable)**	-	-	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Proposed NCDs	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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Proposed NCDs**	Yet to be issued	-	-	210.0	[ICRA]BBB (Stable)

Source: Company

Annexure-II: List of entities considered for consolidated analysis – Not Applicable

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3358
ashish.modani@icraindia.com

Anupama Reddy
+91 40 6939 6427
anupama.reddy@icraindia.com

Pulkit K Varshney
+91 80 4332 6427
pulkit.varshney@icraindia.com

Riddham Agarwal
+91 80 4332 6405
riddham.agarwal@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

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.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Ahmedabad
+91 79 4027 1500/501

Kolkata
+91 33 6521 6800

Mumbai
+91 22 6169 3300

Hyderabad
+91 40 6939 6464

Pune
+91 20 2556 1194

Bangalore
+91 80 4332 6400/4922 5500

Chennai
+91 44 4596 4300