PURAVANKARA

Date: **12/11/2025**

To,

The General Manager, Listing Operations Department of Corporate Services **BSE Limited** P. J. Towers, Dalal Street, Fort, Mumbai- 400 001 **Stock Code: 532891**	**The Manager,** Listing Department, **National Stock Exchange of India Limited,** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051 **Stock Code: PURVA**

Dear Sir/ Madam,

Sub: Intimation for Credit Rating

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We write to inform you that Indian Ratings & Research Pvt. Limited vide its letter dated November 11, 2025, has reviewed the Credit Rating and they have affirmed as 'IND A-/Stable'.

The letter received from Indian Ratings & Research Pvt. Limited is available on the website of the Company and is attached herewith for your perusal.

This is for your information and records.

Thanking you,

Yours sincerely,
For Puravankara Limited

SUDIP CHATTERJEE
Digitally signed by SUDIP CHATTERJEE
Date: 2025.11.12 12:39:54 +05'30'

(Sudip Chatterjee)
Company Secretary & Compliance Officer
Membership No.: F11373

India Ratings & Research
A Fitch Group Company

India Ratings Affirms Puravankara at 'IND A-'/Stable; Withdraws NCDs, CP and Bank Loan Facilities

Nov 11, 2025 | Residential | Commercial Projects

India Ratings and Research (Ind-Ra) has taken the following rating actions on Puravankara Limited (PL) and its debt instruments:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Long-Term Issuer Rating	-	-	-	-	IND A-/Stable	Affirmed
Non-convertible debentures*#	-	-	-	INR1,800	WD	Withdrawn
Bank loan facilities*	-	-	-	INR1,000	WD	Withdrawn
Commercial paper*	-	-	90 days	INR1,800	WD	Withdrawn

*Ind-Ra is no longer required to maintain the rating as the debt instruments have been fully paid off and the company has received no-dues certificate. This is consistent with Ind-Ra's Policy on Withdrawal of Ratings.
WD – Rating withdrawn
#Details in annexure

Analytical Approach

Ind-Ra continues to consider the fully consolidated financial profile of PL and its subsidiaries and associates (collectively referred to as Puravankara) to arrive at the ratings, as all the entities operate in the same line of business and have the common management.

Detailed Rationale of the Rating Action

The ratings reflect PL's steady growth in annual collections during FY25 with strong performance in the sustenance sales and an improvement in execution efficiency. However, its pre-sales remained lower-than Ind-Ra's expectation in FY25 and 1HFY26, due to a delay in project launches.

The agency expects the presales and collections for FY26 to remain at similar level, considering the expected project launches are bundled up in 2HFY26. Puravankara faced challenges in launches but continued to pursue business development through leverage. The capex of INR13 billion comprises redevelopment projects, joint development agreement projects, land deposits, among others. A delay in equity funding of the business development has led to high leverage. Additionally, its debt remained elevated due to its under-construction commercial real estate projects which are likely to be commercialised by end-March 2026.

However, the sale of its joint venture (JV) projects and hybrid instruments provided flexibility to service debt. Hybrid instruments include debt like instrument with flexibility to service depending on project cash flows or profitability. Any delay in execution timelines of its ongoing projects, launch timelines of its new projects and equitisation of balance sheet would impact its liquidity and will be a key rating monitorable.

List of Key Rating Drivers

Strengths

- Large size, long track record and established brands
- Diversified projects across geographies and price bands
- Moderate operational performance

Weaknesses

- Significant launch pipeline leading to moderate-to-high execution risk
- High capex to impact credit metrics and debt levels
- Cyclicality and regulatory risk

Detailed Description of Key Rating Drivers

Large Size, Long Track Record and Established Brands: PL has completed more than 93 projects over the past four decades, with a total floor space of more than 55 million square feet (msf) across the brands — Provident and Puravankara —in major cities of south and west India. Provident, as a brand, has a track record of over a decade now, and both brands are well established.

Diversified Projects Across Geographies and Price Bands: Bengaluru accounted for 53% of the group's ongoing project base in terms of the sale value during 1HFY26, followed by Mumbai and Pune (25%), Chennai (13%), Kochi (6%) and others (3%). In FY25, the company's affordable brand, Provident, and premium brand, Puravankara, account for about 46% and 47%, respectively, of the overall portfolio and the balance 7% was towards its plotted development brand, Purva Land. PL is also constructing a commercial real estate of 2 msf, which is likely to be completed by FY26-end. The project concentration was lower than its peers, with the top five projects accounting for 29% of the total gross development value as of June 2025. This product portfolio is likely to diversify further with the launch of new projects.

Moderate Operational Performance: PL's FY25 presales decreased to INR50.0 billion (FY24: INR59.1 billion; FY23: INR31.1 billion), majorly due to the delay in project launches. However, its collections improved 9% yoy to INR39.4 billion (INR36.1 billion; INR22.6 billion), on the back of steady execution and the improvement in sustenance sales from ongoing projects. The company's handovers also reduced 7% yoy in FY25, due to approval challenges, with its reported revenue declining to INR20.9 billion (FY24: INR22.6 billion; FY23: INR14.1 billion).

In 1HFY26, PL's pre-sales increased 4.5% yoy to INR24.6 billion and its collections remained stable on a yoy basis at INR19.0 billion. The agency expects PL's pre-sales to be in similar level in FY26, largely supported by sustenance sales. The company plans a large launch pipeline over FY26-FY28 and as such execution and sustained strong pre-sales growth becomes a key monitorable. As of June 2025, about 53% of the ongoing projects of 20.93msf (PL's economic interest) has been sold and 49% of the budgeted costs have been incurred, indicating a healthy mix of projects at varying stages of completion. The committed receivables from its ongoing projects totalled INR42.5 billion against the pending construction cost of INR60.8 billion, reflecting a 70% coverage. Maintaining a healthy sales velocity for its unsold portion is key to fund its pending committed construction cost.

Significant Launch Pipeline Leading to Moderate-to-High Execution Risk: PL plans to launch 8.48 msf of projects across its Puravankara, Provident and Purva land verticals by end-FY26. The agency expects the residential real estate sector to maintain stable demand. Although affordability has been constrained given the high price rise observed over FY23-FY25, the agency believes having a large launch pipeline might turn out to be the ideal strategy for the company, given its primary market is Bengaluru (56% of FY25 pre-sales), which tends to remain relatively stable. However, PL plans to increase its presence in Mumbai and Pune as well in order to achieve better geographic diversification. PL has a sufficient land bank with up to 27.1 msf of economic interest for launching future projects. At its FY25 pre-sales run-rate of 5.67msf and business development efforts, the company has adequate land bank for launches in the next two-to-three years.

PL delivered 3.1msf in FY25 (FY24: 3.1 msf) compared to current pre-sales run-rate of 5.67msf and as such there is a substantial under construction risk. With a substantial increase in the launch pipeline and the company's target to improve the scale of operations, PL's ability to achieve timely execution of projects would be a key monitorable. PL also breached the RERA deadline for the completion of the project in one of its projects in Goa, two in Pune and one in Bengaluru with the company opting for an extension in timelines. The delayed projects stood at a total of 2.1msf and the balance construction cost to be incurred was INR3.1 billion and carried unsold inventory of 0.35 msf, comprising less than 10% of the ongoing projects as of June 2025. As per the management, the company is building its brand value in these geographies to improve the sales velocity.

High Capex to Impact Credit Metrics and Debt Levels: PL's FY25 presales-to-net debt ratio dropped to 1.7x (FY24: 2.7x; FY23: 1.4x) and the net debt-to-net working capital ratio increased to 0.91x (0.84x; 0.71x), primarily due to an increase in debt to support business development. The increased leverage was also due to a delay in equity funding for the business development, debt-funded land bank and under-construction commercial development. Thus, Ind-Ra expects the consolidated total debt to inch up to INR41 billion by FYE26 (FY25: about INR37.5 billion). The management does not expect the peak gross debt to increase beyond INR45 billion in the medium term. Thus, Ind-Ra expects the net-debt-to-net-working-capital to marginally reduce at 0.80x-0.85x during FY26-FY28. The agency also expects PL to generate adequate operational cash flows to maintain leverage ratio of net-debt-to-operational cash flow (net debt/ OCF) to be 3.5x-4.0x through the cycle (FY25: 3.9x). The leverage ratios are computed excluding the hybrid debt with flexibility on servicing based on cash collections/surpluses.

Cyclicality and Regulatory Risk: The Indian real estate industry is highly cyclical, with volatile cash flows. The sector is also subject to multiple regulatory approvals, and the timely receipt of the same is critical for launching new projects within the scheduled timelines and for future sales/collections. PL has also entered into new geographies and redevelopment projects which could exert pressure on execution.

Liquidity

Adequate: Ind-Ra estimates PL would generate operating cash flow (before interest expense) of about INR9 billion-10 billion in FY26 (FY25: INR7.7 billion). PL faced delays in launches due to delay in approvals. Due to slow launches, the collections underperformed. At end-June 2025, the company had cash and bank balances of INR7.2 billion (FY25: INR7.3 billion; FY24: INR9.3 billion) and undrawn banking facilities of INR13 billion. These funds, combined with estimated operating cash flow would be enough to meet the interest expense, and its repayment liabilities. However, any large business deployment would lead to refinancing risk in FY27 with lumpy repayments. The management looks to repay the company's debt payment obligations for FY27 in in FY26 itself to alleviate refinancing pressure and maintain free cash of at least six months of debt servicing. The company has scheduled term loan repayments of INR9.0 billion and INR13.8 billion in FY26 and FY27, respectively. However, given the strong launch pipeline of over 8.48 msf in 2HFY26 and under-construction commercial developments, the agency expects PL to need further debt requirements.

The total debt stood at INR35.4 billion as of June 2025 (excludes hybrid debt of INR8.7 billion). PL funds land acquisition with high costs NCDs funded by alternate investment fund with short maturities and later finance them with lower costs bank loans. This funding structure has elevated borrowing costs and debt maturities exerting pressure on refinancing requirements. The company also has a significant reliance on non-banking finance companies comprising about 44% of its overall debt and its overall average cost of borrowing was 11.35% in as of June 2025. Hybrid debt is a payable when able basis and as such is not treated as debt in line with Ind-Ra's Treatment of Hybrids in Non-financial Corporates and Investment Trusts.

Rating Sensitivities

Positive: The following factors could individually or collectively lead to a positive rating action:

- an improvement in its project execution and collections with timely project launches resulting in a reduction in its debt through project cash flows
- the adjusted net debt/OCF falling below 3.5x.

Negative: The following factors could individually or collectively lead to a negative rating action:

- a significant delay in its project launches, project execution and/ or collections leading to a cash deficit
- the adjusted net debt/OCF increasing above 4.5x.

Any Other Information

Not applicable

ESG Issues

Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on PL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

Bengaluru-headquartered PL is one of India's leading listed real estate companies. Ravi Puravankara owns a 75% stake in the company. The company has completed real estate projects with more than 55msf and has an ongoing project footprint of nearly 23.86msf.

Key Financial Indicators

Particulars (INR Mn)	FY25	FY24
Revenue from operations	20,136	21,852
Operating EBITDA	2,980	4,557
EBITDA margins (%)	15	21
Interest cost	5,049	4,549
Gross interest coverage (x)	0.6	1.0
Gross debt (ex-hybrid)	37,477	31,056
Cash	7,317	9,264
Net debt	30,153	21,792
Net financial leverage (x)	10.1	4.8
Source: PL; Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Ratings/Outlook	Historical Rating/Outlook		
				12 November 2024	28 December 2023	29 December 2022
Bank loan facilities	Long-term	INR1,000	WD	IND A-/Stable	IND A-/Stable	IND A-/Positive
Issuer Rating	Long-term	-	IND A-/Stable	IND A-/Stable	IND A-/Stable	IND A-/Positive

Non-convertible debenture	Long-term	INR1,800	WD	IND A-/Stable	IND A-/Stable	IND A-/Positive
Commercial paper	Short-term	INR1,800	WD	-	-	-

Bank wise Facilities Details

The details are as reported by the issuer as on (11 Nov 2025)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	ICICI Bank	Fund Based Working Capital Limit	1000	WD

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Commercial paper	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Amount (million)	Rating/Outlook
Non-convertible debentures	INE323I07109	31 December 2021	1-year MCLR plus 4%	30 June 2026	INR1,800	WD

Source: NSDL

Contact

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Treatment and Notching of Hybrids in Nonfinancial Corporates

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process