October 29, 2025

Purva Sapphire Land Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
NCD	55.00	55.00	[ICRA]BBB (Stable); reaffirmed
Total	**55.00**	**55.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating reaffirmation factors in the strong parentage of Purva Sapphire Land Private Limited (PSLPL) and Varishtha Property Developers Private Limited (VPDPL), which are wholly-owned subsidiaries of Provident Housing Limited (PHL[1]) (rated [ICRA]A- with Stable outlook) and a part of the Puravankara Group. The Puravankara Group has an established track record of over three decades in real estate development and has developed 53.79 million square feet (msf) of saleable areas of June 2025. PSLPL and VPDPL are jointly undertaking a residential project at Hennur, Bengaluru, with a total saleable area of 4.52 lakh sft (enhanced from 3.65 lakh sft on account of higher FSI of 3 times) on a combined land area of 3.03 acres. The project is likely to be launched in Q4 FY2026. The rating notes the favourable location of the proposed project in Hennur, Bengaluru, with proximity and good connectivity to key residential and commercial hubs, which is expected to support its saleability. ICRA expects the ultimate parent company, Puravankara Limited (PL), to extend extraordinary support to PSLPL and VPDPL if the need arises, given their business linkages, strategic importance and the ultimate parent's reputation sensitivity to default.

The rating is, however, constrained by the significant execution risk and market risk. The project remains at a nascent stage, with key approvals yet to be received, exposing the company to execution risk. Further, the construction cost of the project is expected to be primarily financed through customer advances, which is dependent on sales, exposing it to market risk. The land cost of around Rs. 100 crore is being funded by debt in the form of non-convertible debentures (NCDs). As of October 2025, Rs. 103 crore of NCDs have been issued (Rs. 52 crore in PSLPL and Rs. 51 crore in VPDPL). The returns on the NCDs issued for the project are variable and depend upon the actual cash flows generated from the project, though there is a minimum IRR of 12% guaranteed by the project sponsor (PL) to NCD investors. The rating is also constrained by the cyclicality risk inherent in the real estate business. Further, the project is exposed to high geographical concentration risk with dependence on a single micromarket for the project. Nonetheless, the Puravankara Group's strong track record of project execution and sales provides comfort.

The Stable outlook on the [ICRA]BBB rating reflects ICRA's opinion that the company will benefit from the favourable project location, which is likely to support healthy saleability. Moreover, the support of an established parent provides operational synergies and financial flexibility.

Key rating drivers and their description

Credit strengths

Part of the Puravankara Group – The Puravankara Group has a demonstrated track record spanning over three decades in the real estate development and has developed 53.79 msf of area as of June 2025. It has a presence in both the premium and affordable housing segments under the brands Puravankara and Provident, respectively, with a strong presence in Bengaluru

[1] Wholly-owned subsidiary of Puravankara Limited

and other parts of southern India. ICRA expects the ultimate parent, PL, to provide timely financial support to PSLPL and VPDPL for any funding shortfall, given their strategic importance to the parent and PL's reputation sensitivity to default.

Favourable location of proposed project – PSLPL and VPDPL are jointly developing a residential project in Hennur, Bengaluru, with a saleable area of 4.52 lakh sft (enhanced from 3.65 lakh sft on account of higher FSI of 3 times) by jointly acquiring the land parcels with a combined land area of 3.03 acres. It is likely to be launched in Q4 FY2026. The project is favourably located with proximity to areas like Hebbal, MG Road, Indira Nagar, and Manyata Tech Park, along with connectivity to the Outer Ring Road, which is expected to drive saleability of this residential project. Further, Hennur Main Road is in close reach of ~5 km to important office hubs such as Manyata Tech Park and others.

Credit challenges

Exposure to significant execution and market risks – The company remains exposed to significant execution risks, given the nascent stage of the project, with key regulatory approvals yet to be received. Moreover, it is exposed to market risk, as the construction cost will primarily be met by customer advances, which are highly dependent on sales. Nonetheless, the Puravankara Group's strong track record of project execution and sales, along with the project's favourable location, provides comfort.

Geographical and asset concentration risks along with vulnerability to external factors – The company is exposed to high geographical and asset concentration risks inherent in single asset special purpose vehicles (SPVs). Also, being a cyclical industry, the real estate sector is highly dependent on macroeconomic factors, which expose the sales to any downturn in demand.

Liquidity position: Adequate

The liquidity position is adequate. ICRA expects the healthy demand prospects of the project to result in adequate cash flow generation for repaying the principal and redemption premium at the end of the NCD tenure of seven years. Given the zero-coupon nature of the NCD, there would not be any ongoing interest payments. The parent/group is expected to provide funding support, in case a need arises.

Rating sensitivities

Positive factors – The rating may be upgraded if the company is able to launch the project in a timely manner with healthy sales response resulting in strong cash flow visibility for debt repayment.

Negative factors – The rating may be downgraded if delays in project launch or weak sales results in sustained pressure on the future cash flows. Additionally, deterioration in the credit profile of its ultimate parent company, Puravankara Limited, could put pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Realty - Commercial/Residential/Retail](#)
Parent/Group support	Puravankara Limited ICRA expects the ultimate parent, Puravankara Limited (PL), to provide timely financial support to PSLPL and VPDPL, for funding shortfall, if any, given their strategic importance to PL and PL's reputation sensitivity to default.
Consolidation/Standalone	The rating is based on the company's combined business and financial profiles of PSLPL and VPDPL. The two companies will jointly acquire the land parcels in Bengaluru, which will be developed as a single project. Moreover, the NCDs to be issued for acquiring the land parcels have a common investor.

About the company

Purva Sapphire Land Private Limited (PSLPL) and Varishtha Property Developers Private Limited (VPDPL) are involved in the business of real estate development and other related activities. Both PSLPL and VPDPL together are undertaking a residential project at Hennur, Bengaluru. Both the companies are jointly acquiring land parcels with a combined land area of 3.03 acres. The land parcel will be developed as a single project, having a total saleable area of ~4.52 lakh sft.

Key financial indicators (audited) - Not applicable being a project company.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Oct 29, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
NCD	Long term	55.00^	[ICRA]BBB (Stable)	Oct 31, 2024	[ICRA]BBB (Stable)	Feb 22, 2024	[ICRA]BBB (Stable)	Feb 02, 2023	[ICRA]BBB (Stable)
						Sep 19, 2023	[ICRA]BBB (Stable)		

^ Current rated amount includes Rs.52 crore listed NCDs with ISIN of INE0POA08014 and Rs.3 crore of proposed NCD

Complexity level of the rated instruments

Instrument	Complexity indicator
NCD	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
INE0POA08014	**NCD**	Sept 2023	Zero	Mar 2029	52.00	[ICRA]BBB(Stable)
NA	**Proposed NCD**	Yet to be issued	-	-	3.00	[ICRA]BBB(Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Purva Sapphire Land Private Limited	100.00% by Provident Housing Limited*	Full consolidation
Varishtha Property Developers Private Limited	100.00% by Provident Housing Limited*	Full consolidation

*Source: Company data; ICRA Research; *99.9% held by Provident Housing Limited & 0.1% by registered owner with beneficial interest held by Provident Housing Limited*

ANALYST CONTACTS

Ashish Modani
+91 20 6169 3300
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

Saumya Agrawal
+91 80 4332 6424
saumya.agrawal@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

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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