Puri Construction Private Limited

September 29, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	65.00	IVR A-/Stable (IVR A Minus with Stable Outlook)	-	Assigned	Simple
Long Term/Short Term Bank Facilities – Proposed	135.00	IVR A-/Stable (IVR A Minus with Stable Outlook) & IVR A2+ (IVR A Two Plus)	-	Assigned	Simple
Total	**200.00**	**Rupees Two Hundred Crore Only**			

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned the long-term rating of IVR A- with Stable outlook and short-term rating of IVR A2+ for the bank loan facilities of Puri Construction Private Limited (PCPL).

The rating draws comfort from long track record of operations and experience management, locational advantage of the projects along with favourable saleability and moderate project cost structure. However, these rating strengths are partially offset by project implementation risk, dependency on customer advances, geographical concentration risk, and exposure to risks relating to cyclicality in the real estate industry.

The ‘Stable’ outlook indicates a low likelihood of rating change over the medium term. IVR believes that the Puri Construction Private Limited’s business & financials risk profile will be maintained over the medium term on the back of extensive experience of the promoters along-with favourable saleability coupled with industry outlook.

IVR has principally relied on the standalone audited financial results of PCPL up to March 31, 2024, provisional certified financial result of FY25 (i.e. review period from April 01, 2024, to March 31, 2025) and projected cash flows for FY26 to FY32, along with publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Timely receipt of customer advances.
- Scheduled completion of the ongoing projects.

Downward Factors

- Time and cost overrun in the Projects.
- Lower than expected collections which may lead to increased funding risk.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Long track record of operations and experience management

Established in 1971, Puri Construction Private Limited has a long operational track record of executing residential and commercial real estate projects for more than five decades. The company has delivered over 5.13 million sq. ft. of residential and commercial space with 2 ongoing projects "Aravallis" and "Diplomatic Residences" and 5 upcoming projects in Gurugram Sector 110-A and 111, reflecting strong execution capabilities and market acceptance. Additionally, the promoters of the company, Mr. Mohinder Puri and Mr. Arjun Puri are highly experienced, who have successfully driven project development and expansion across key NCR markets. Looking ahead, the group's long-standing operational track record and the promoter's deep expertise will continue to drive the company's growth initiatives.

Locational advantage of the projects

The company enjoys a locational advantage with a well-diversified presence across high-growth, well-connected, and rapidly developing urban corridors of Faridabad and Gurugram, two major hubs of the National Capital Region (NCR). Its projects are strategically located in prime sectors, including Dwarka Expressway, Golf Course Road, and Sectors 81–89 in Faridabad. These locations offer excellent connectivity to Delhi, proximity to key infrastructure such as IGI Airport and metro lines, and access to emerging residential and commercial hubs.

Favorable saleability and moderate project cost structure

The ongoing projects, Diplomatic Residences and Aravallis, demonstrate a healthy and strong booking status as of July 2025. The Diplomatic Residences project consists of 692 residential units, out of which the company has booked 582 units (84.10%) as of July 31, 2025, with total sales value booked at ₹2,635.81 Cr. Similarly, the Aravallis project consists of 244 residential units, with 243 units (99.59%) booked as of July 31, 2025, with total sales value booked at ₹1,056.65 Cr. Overall, the projects have achieved substantial sales value bookings reflecting strong market demand and pricing power.

The overall project cost structure is considered moderate, with the combined estimated cost of Rs. 2,395.59 Cr across the two ongoing developments Aravallis and Diplomatic Residences. As on June 30, 2025, approximately 51% of the cost has been incurred for Aravallis and 28% for Diplomatic Residences. The entire cost is being funded through customer advances.

Key Rating Weaknesses

Project implementation risk & dependency on customer advances:

The project is exposed to moderate implementation risk, as reflected in the relatively low level of physical progress, particularly in the Diplomatic Residences phase, where construction is only 10.60% complete as of June 30, 2025, with just 28% of the project cost incurred. In comparison, the Aravallis phase has achieved 40.24% physical progress with 51% of the cost incurred. A significant portion of the project cost remains to be incurred Rs. 1,276.99 Cr for Diplomatic Residences and Rs. 405.06 Cr for Aravallis. Given this substantial reliance on customer advances, timely sales and advance collections remain critical to maintaining steady cash flows and ensuring smooth project execution. Any delays in collections or sales slowdown could pose a moderate risk to project implementation. However, the risk is mitigated to some extent as the company's liquidity position is strong through internal accruals.

Geographical concentration risk:

While the company's operations are concentrated in high-growth regions like Gurugram and Faridabad, this limits its geographical diversification and exposes it to regional risks, such as regulatory changes and infrastructure delays. However, the company's deep expertise in these markets allows it to navigate such challenges effectively, manage projects efficiently, and enhance profitability. The strong demand in Gurugram and Dwarka, driven by urbanization and proximity to key business hubs, ensures a steady cash flow.

Exposure to risks relating to cyclicality in the real estate industry

Being a cyclical sector, the real estate industry is inherently sensitive to macroeconomic conditions, interest rate fluctuations, and policy changes. The company's dependence on a specific geography (NCR) further amplifies this risk. Additionally, the sector remains exposed to regulatory uncertainties, which can materially affect project cash flows. These factors may impact the company’s debt servicing ability, making effective risk management critical.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Real Estate Entities.

Criteria on assigning rating outlook

Policy on Default Recognition and Post-Default Curing Period

Complexity Level of Rated Instruments/Facilities

Financial Ratios & Interpretation (Non- Financial Sector)

Liquidity: Adequate

The company’s liquidity position remains strong, supported by total projected cash inflows of Rs. 4,183.52 Cr over the project period up to FY32, as against total outflows of Rs. 2,920.00 Cr, resulting in a healthy cumulative surplus of Rs. 1,263.52 Cr. For FY25 specifically, the total inflow stands at Rs. 810.73 Cr against an outflow of Rs. 698.22 Cr, leading to a surplus of Rs. 112.51 Cr. The cumulative cash flow coverage ratio for the period is comfortable at an average of 1.55x, indicating sufficient coverage of cash. Further, the company has free cash and cash equivalents amounting to Rs. 234.28 crore. The company is likely to benefit from the resourcefulness of the director’s experiences.

About the Company

M/s Puri Construction Private Limited (PCPL) was incorporated on February 2, 1971, by Mr. Mohinder Singh Puri and Mr. Arjun Puri, who continue to play a key role in managing the company’s operations with over three decades of experience in the real estate sector. The company develops high-quality residential and commercial projects in selected markets in Greater Faridabad area, Faridabad, and along the Dwarka Expressway in Gurugram. The company has around 10.8 million square feet (MSF) of saleable area as of July 2025.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	256.37	512.33
EBITDA	64.91	33.59
PAT	49.33	29.21
Total Debt	0.00	0.00
Tangible Net Worth	563.89	593.10
EBITDA Margin (%)	25.32	6.56
PAT Margin (%)	18.51	5.58
Overall Gearing Ratio (x)	0.00	0.00
Interest Coverage (x)	23.05	37.71

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: ICRA vide press release dated September 22, 2025, has classify the case under Issuer Not Cooperating.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-2025	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-2023
1.	Non - Fund Based	Long Term	65.00	IVR A-/ Stable	-	-	-
2.	Non - Fund Based – Proposed	Long Term/Short Term	135.00	IVR A-/Stable/ IVR A2+	-	-	-

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

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of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Bank Guarantee	-	-	-	-	65.00	IVR A-/Stable
Bank Guarantee - Proposed	-	-	-	-	135.00	IVR A-/Stable/A2+

Annexure 2: Facility wise lender details
https://www.infomerics.com/admin/prfiles/len-puriconstruction-sep25.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.