

Purvanchal Construction Works Private Limited

December 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	2.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	12.30	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB-; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Purvanchal Construction Works Private Limited (PCWPL) to monitor the rating(s) vide email communications/letters dated November 19, 2025, November 14, 2025; November 07, 2025 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on PCWPL's bank facilities will now be denoted as CARE B+; Stable/CARE A4; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been downgraded on account of non-availability of requisite information due to non-cooperation by PCWPL with CARE Ratings Ltd.'s efforts to undertake a review of the ratings outstanding. CARE Ratings Ltd. views information availability risk as a key factor in its assessment of credit risk. The ratings remain constrained due to continuous operational losses coupled with the modest scale of operations. The ratings also are constrained by the exposure of the company towards group entities coupled with the inherent risks associated with the construction industry. The ratings, however, continue to derive comfort from experienced promoters with an established track record in real estate and comfortable capital structure.

Analytical approach: Standalone

Outlook: Stable

"Stable" outlook reflects CareEdge Ratings' opinion that PCWPL shall benefit from the experience of its promoters as well as through its comfortable capital structure.

Detailed description of key rating drivers:

Key weaknesses

Significant deterioration in operational performance with widened losses: The company's operational performance weakened sharply in FY25 (refers to the period from April 01, 2024 to March 31, 2025), marked by a steep decline in total operating income (TOI) by ~51% to ₹8.76 crore (₹17.83 crore in FY24). PBILDT loss widened to ₹9.58 crore in FY25 from ₹1.03 crore in FY24. PAT also turned negative at ₹4.82 crore against a profit of ₹1.31 crore in FY24. Sustained losses at the operating level raise concerns over the company's ability to meet fixed obligations from internal accruals.

Volatile scale of operations and limited financial flexibility: The company's revenue trend remains highly volatile over the past five years, reflecting dependence on a few large projects and inability to secure new orders consistently. This volatility restricts economies of scale and limits financial flexibility.

Exposure to group entities: Around 57% of tangible net worth continues to be deployed as unsecured loans to group entities. While interest income is received, incremental exposure or funding through debt would be credit negative.

Highly competitive industry with tender-based business risk: PCWPL operates in a fragmented civil construction industry with low entry barriers, exposing it to intense competition from regional and national players. The tender-based nature of

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

government contracts subjects the company to pricing pressure and uncertainty in order inflow. Any slowdown in government spending or policy changes could adversely impact revenue visibility.

Key strengths

Comfortable capital structure despite increased debt: The company's capital structure remains comfortable, supported by moderate net worth of ₹113.01 crore as on March 31, 2025 (₹117.83 crore in FY24). Overall gearing stood low at 0.02x as on March 31, 2025 (PY: 0.01x).

Experienced promoters with established track record: The promoter has over two decades of experience in civil construction and real estate development, having executed multiple projects for government agencies and private developers. This experience provides operational know-how and industry relationships, which remain a key strength for future order inflows.

Liquidity: Not Applicable

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Construction](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

PCWPL was set up in 1990 as a proprietorship firm named Purvanchal Enterprises, was reconstituted to a Private Limited Company in 1994. The company is engaged in the business of real estate development under its brand name 'Purvanchal' and civil construction for various government entities and is promoted by Aftab Alam. The company receives construction orders mainly through tenders and the term termination of the contracts ranges from 3-4 years. In the past, the company has undertaken number of civil construction contracts for residential complexes i.e. DG MAP Jaipur, Faizabad & Bamrauli, SCBA MSCGHS etc. and has also undertaken real estate projects under its own brand name viz. Purvanchal Heights, Silver Estate, Purvanchal Silver City1, Purvanchal Silver2, Purvanchal Plaza, Purvanchal Kings Court, etc.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	3.87	17.83	8.76
PBILDT	-1.71	-1.03	-9.58
PAT	0.20	1.31	-4.82
Overall gearing (times)	0.01	0.01	0.02
Interest coverage (times)	-5.21	-2.37	-16.72

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	2.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	12.30	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	12.30	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable / CARE A4 (04-Dec-24)	1)CARE BB; Stable / CARE A4 (01-Dec-23)	1)CARE BB+; Stable / CARE A4+ (27-Jan-23)
2	Fund-based - LT-Cash Credit	LT	2.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (04-Dec-24)	1)CARE BB; Stable (01-Dec-23)	1)CARE BB+; Stable (27-Jan-23)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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