

D N HOMES PRIVATE LIMITED

June 04, 2026

Facilities	Amount (₹ crore)	Ratings ¹	Rating Action
Long Term Bank Facilities	223.76	CARE BB+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	15.00	CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE A3 and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from D N Homes Private Limited (DNHPL) to monitor the ratings vide e-mail communications dated March 17, 2026, and May 25, 2026, 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 ratings on DNHPL's bank facilities will now be denoted as **CARE BB+; 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.

The ratings assigned to the bank facilities of DNHPL have been revised on account of lack of clarity on future growth strategy and inability to monitor the performance of the company which is critical for assessing the credit profile of the company.

The ratings are constrained by its project construction and saleability risk with inventory overhang in the ongoing projects, modest capital structure with reliance on external debt for funding ongoing projects, geographical concentration risk and fragmented real estate industry in Bhubaneswar, regulatory risks and risk inherent to real estate sector.

However, the above weaknesses are partially offset by the established promoter group having long track record of operations in real estate business, favourable location of projects, major regulatory approvals already in place for ongoing projects, efficient project execution capabilities and association with renowned architects and consultants and presence of escrow mechanism and DSRA for lease rentals in its subsidiary, ie Lifeline Multi Ventures Pvt Ltd (LMVPL).

Analytical approach: Consolidated along with the subsidiaries operating in similar line of business and having same management. List of companies being consolidated is provided in Annexure 6.

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on July 07, 2025, following were the weakness and strengths (Updated for information received from Registrar of Companies).

Key weaknesses

Project construction and saleability risk with inventory overhang in the ongoing projects

The company is currently constructing four residential projects (including one in its subsidiary) valued at Rs.2,582 crore, with Rs. 653.20 crore already spent as of March 31, 2025. The construction progress is moderate across most projects. In case of DN Pallaciya, the project cost is Rs.471 crore against which the company has incurred cost of around Rs.333 crore till March 31, 2025. However, the company has applied for a RERA extension to push the completion date for DN Pallaciya from August 2025 to August 2026. In case of Fairytale Extension, the project cost is Rs.243 crore which is expected to be completed by March 2027. The company has already incurred cost of Rs.106 crore till March 31, 2025. Another project is DN Yoo with a projected cost of Rs.999 crore (including land cost of Rs.190 crore, where land has been provided by JDA partner) which is expected to be completed by February 2029. The company has already incurred cost of Rs.55 crore (excluding land cost) till March 31, 2025.

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

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

Apart from these three projects, the group is undertaking another project, DN Kingsland in one of its subsidiary company, which has a project cost of Rs.870 crore out of which Rs.153 crore has already been incurred till March 31, 2025. The project is expected to be completed by October 2027.

The combined inventory overhang for these projects stood at around 56 months.

Additionally, the company is developing a new hotel under the "Marriott" brand through one of its subsidiaries, with a total investment of Rs.275 crore, entirely funded by unsecured loans. As of March 31, 2025, Rs.172 crore has already been spent on this project, including land acquisition. The hotel is expected to be operational in FY27.

The company is also planning to undertake two new projects, DN Supertree and DN Ultraluxe, the land for which has been purchased by the company. The company is in the process of receiving the approvals for the same. The total cost for the project is estimated to be Rs.6,000 crore against which the company plans to raise some equity by selling 25% of their share in DNHPL. However, as articulated by the management, in case this equity is not raised, then the company would not undertake the project. The company also plans to invest Rs.50 crore in DN Seashells Private Limited to establish a processing unit for exporting shrimp and seafood.

Modest capital structure with reliance on external debt for funding ongoing projects

The company has a modest capital structure marked by overall gearing ratio of 3.46x as on March 31, 2025 moderating from 3.19x as on March 31, 2024 majorly on account of increase in total debt to fund the ongoing projects.

The company has sanction of Rs.275 crore of construction finance loan for funding its ongoing projects, DN Pallaciya and DN Fairytale Extension which accounted for around 18% of the total estimated project cost of the company for its three projects. Also, the company has under its subsidiary, sanctioned term loan of Rs.250 crore for DN Kingsland which accounted for 29% of the projected cost for the project.

Till March 31, 2025, the company has taken disbursement of Rs.218 crore for these projects and the repayments has started from Q1FY26 for term loan availed for one of the project (Pallaciya).

Geographical concentration risk and fragmented real estate industry in Bhubaneswar

The group has presence in the city of Bhubaneswar in the state of Odisha, which exposes the firm to geographical concentration risk. Beside this, Bhubaneswar's real estate market is fragmented in nature and local players provide stiff competition.

However, given the brand image of the group in the state and satisfactory track record of the group in execution of real estate projects in past, the risk is mitigated to an extent. Additionally, the group is planning to construct a hotel in Puri and a resort in Gopalpur.

Regulatory risks

Real estate projects are prone to varying degrees of uncertainty, both at the macro-level, which affects the economy as a whole and at the sector level. The projects are prone to local, state, and national laws and regulations (governing acquisition, construction, and development of land, etc.). Failure to comply with such rules and regulations often lead to delays or in the worst case, complete closure of the project; all of which may lead to a complete or partial loss of capital invested

Risk inherent to real estate sector

Real estate sector is highly susceptible to economic cycles. Health of an economy in terms of gross domestic products (GDP), employment data, manufacturing activity, inflation, per capita income etc. affects the value of real estate in such a way that when economy is sluggish real estate sector is affected in a similar way. Also, the real estate market is negatively related with interest rate cycle. Expected increase in interest rate may discourage buyers from borrowing to finance real estate purchases and increases the cost of construction for developers.

Key strengths

Established promoter group having long track record of operations in real estate business

The DN Group is promoted by Jagadish Prasad Naik, having more than two decades of experience in the industry. The group have successfully completed construction of 37.57 lsq residential area along with a hotel, a mall and a school over the past two decades.

Favourable location of projects

The ongoing residential projects are coming up in areas, which are easily accessible and are in the proximity to grocery stores, hospitals, educational institutes, shopping malls, tourist attractions and railway/metro stations and other basic and essential requisites. Ongoing residential projects are equipped with all modern facilities/amenities including clubhouse with gymnasium, indoor games, banquet hall, swimming pool among others.

Major regulatory approvals already in place for ongoing projects

DNHPL currently has four ongoing projects in its own books. The company has received all major approvals from appropriate authority(s).

Efficient project execution capabilities and association with renowned architects and consultants

The group has satisfactory execution capabilities corroborated from projects delivered in the past. The group is associated with renowned architects, contractors and consultants who have proved their mettle in the field, and few also have international presence in their field of specialisation. The company also has a dedicated in-house marketing team consisting of qualified

professionals to target its customers. Strong brand image, construction quality and efficient marketing strategies have enabled the company to witness quicker bookings and fund major part of the cost through customer advances.

Presence of escrow mechanism and DSRA for lease rentals in its subsidiary i.e. LMVPL

As per the terms of the sanction, entire cash flows, including lease rental income, receipt of car parking charges, fit out charges and common area maintenance among others are required to be routed through designated escrow account. The principal and interest payments are also routed through this escrow account. The company is also required to maintain DSRA equivalent to one quarter principal and interest payments. As on March 31, 2025, the outstanding DSRA stood at Rs.4.50 crore.

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

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Hotels & Resorts](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Debt backed by lease rentals](#)

[Rating methodology for Real estate sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Incorporated in 2003, DN Homes Private Limited is promoted by Jagadish Prasad Naik, having over more than two decades of experience in the industry. DN Homes group have completed 15 projects across the capital city of Bhubaneswar, encompassing residential projects, hotels, mall, school and villa.

Brief Consolidated Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	354.32	421.95
PBILDT*	78.35	80.17
Profit after tax (PAT)	16.81	13.80
Overall gearing (x)	3.19	3.46
Interest coverage (x)	1.75	1.48

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Infomerics has continued to put the ratings of DNHPL into Issuer non-Cooperation category vide press release dated April 04, 2025, due to non-availability of sufficient information. Additionally, CRISIL has also continued to put the ratings of LMVPL into Issuer Non-Cooperation category vide press release dated January 21, 2026, due to non-availability of sufficient information.

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	September 2030	223.76	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Bank Overdraft		-	-	-	15.00	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	223.76	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (07-Jul-25)	-	-
2	Fund-based - ST-Bank Overdraft	ST	15.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3 (07-Jul-25)	-	-

*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-Term Loan	Simple
2	Fund-based - ST-Bank Overdraft	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Lifeline Multi Ventures Pvt Ltd	Full	Subsidiary
2	Luxurio Assets Pvt Ltd	Proportionate	Joint Venture
3	Dasarathi Naik and Engineers Pvt Ltd	Moderate	Associate
4	Vipul Lavanya Developers Limited	Full	Wholly-owned Subsidiary
5	DN Seashells Pvt Ltd	Full	Subsidiary
6	Paramitra Smartinfra SNA Pvt Ltd	Full	Subsidiary

Annexure-7: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

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