



## Durga Projects and Infrastructure Private Limited

Instrument	Amount (in Rs. Crore <sup>†</sup> )	Rating
Long Term-Proposed Limits	40.00	[ICRA]BB (stable) /assigned

ICRA has assigned a long term rating of [ICRA]BB (pronounced as ICRA Double B)<sup>†</sup> to the Rs.40 crore proposed bank facilities of Durga Projects and Infrastructure Private Limited (DPIPL). The outlook on the assigned rating is stable.

The assigned rating takes into account the long standing experience of the promoters with more than two decades of experience in the real estate industry and the successful development of six projects in the past. The rating takes comfort from the favourable location of the upcoming project- *Durga Petals* in Outer Ring Road, one of the prominent localities in Bangalore with a well developed social infrastructure including prestigious educational institutions, international tech parks and hospitals. The rating also factors in the healthy response achieved for the Petals project (~27% till March, 2015), considering the initial stages of construction. The ratings also takes note of the healthy booking levels achieved for two other ongoing residential projects-Flute and Maple with 47% bookings levels.

The rating is, however, constrained by the significant competition in the region from various other established real estate developers. The company is also exposed to high execution risk with regards to Petals Projects as only 10% of the construction cost has been incurred till date, however, the same is partially offset by the significant experience of the civil contractor Gannon and Dunkerley. ICRA also takes notes of the funding risk associated with the project, Petals, with debt yet to be tied up.

Going forward, the ability of the firm to maintain its sales momentum, collection efficiency and execute the projects in a timely manner would be the key rating sensitivities.

### Company Profile

Durga Projects and Infrastructure Private Limited (DPIPL) is a Private Limited company promoted by three brothers of Jhunjhunwala family namely Mr. Navratan Jhunjhunwala, Mr. Navneet Jhunjhunwala and Mr. Niraj Jhunjhunwala, engaged in the business of construction and development of residential and commercial properties. The company was incorporated on 21<sup>st</sup> March, 2006 with its registered office at Bangalore. In the past 9 years, DPIPL has completed 6 projects encompassing ~ 5.89 lakh square feet (msf) of constructed area. They are currently developing two residential and one commercial project- Durga Petals, Durga Flute and Durga Waives in Bangalore, Karnataka one residential and commercial project Durga Maple and Durga Veidshree in Patna, Bihar.

### Recent Results

The company reported a net profit of Rs.1.0 crore on an operating income of Rs.47.0 crore in FY 2014 as against a net profit of Rs.0.4 on an operating income of Rs.2.0 crore in FY 2013.

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\* 100 lakhs = 1 crore = 10 millions

† For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications



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