

JULY 29, 2016

## CARE ASSIGNS 'CARE BBB+' AND 'CARE A2' RATINGS TO THE BANK FACILITIES OF DEE VEE PROJECTS LIMITED

### Ratings

Bank Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	30.63	<b>CARE BBB+ (Triple B Plus)</b>	<b>Assigned</b>
Long-term/Short-term Bank Facilities	231.87	<b>CARE BBB+/CARE A2 (Triple B Plus/A Two)</b>	<b>Assigned</b>
<b>Total Bank Facilities</b>	<b>262.50 (Rupees two hundred sixty two crore and fifty lacs only)</b>		

### Rating Rationale

The ratings assigned to the bank facilities of Dee Vee Projects Ltd (DVPL) draw strength from its long experience of the promoters in construction industry, improvement in financial performance during FY14-FY16 (refers to the period April 1 to March 31), comfortable capital structure along with healthy debt coverage indicators, strong order book position and stable demand outlook for construction industry. The ratings, however, are constrained by moderate profitability, susceptible to volatility in raw material prices, geographical concentration of revenue profile, working capital intensive nature of operations and intense competition.

Ability of the company to expand its operations geographically and segment-wise, improve profitability and maintain its capital structure shall be the key rating sensitivities.

### Background

Set up in June 2012 by Mr. Nanji Bhai Patel, Dee Vee Projects Ltd (DVPL) primarily undertakes civil construction work, including construction of buildings, roads, and housing projects for state government agencies in Chhattisgarh, Madhya Pradesh and Maharashtra.

DVPL took over all the assets and liabilities of the erstwhile partnership firm of the same promoters, viz. M/s Patel Enterprises, with effect from April 1, 2013. M/s Patel Enterprises commenced construction business in 1989.

In FY16, DVPL reported a PAT of Rs.13.08 crore (Rs.13.32 crore in FY15) on total operating income of Rs.393.32 crore (Rs.324.07 crore in FY15).

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<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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