Dilip Buildcon Limited

January 11, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]
Long Term Bank Facilities	1,940.00	CARE A; Stable (Single A; Outlook: Stable)
Long Term / Short Term Bank Facilities	4,500.00	CARE A; Stable / CARE A1 (Single A ; Outlook: Stable/ A One)
Total Bank Facilities	**6,440.00 (Rs. Six Thousand Four Hundred Forty Crore Only)**	
Non Convertible Debentures	300.00	CARE A; Stable (Single A; Outlook: Stable)
Total Long Term Instruments	**300.00 (Rs. Three Hundred Crore Only)**	

Updates

As per the clarification submitted by Dilip Buildcon Limited (DBL) to stock exchanges on January 02, 2022 regarding Central Bureau of Investigation (CBI) raid on official and residential premise of the company, interrogation of DBL's Executive Director (ED) in connection to bribery case of Government official, DBL has refuted all the charges as incorrect. Subsequently, the company's ED has been released from the custody of investigating agency vide order dated January 07, 2022.

Further, DBL has also indicated that amidst the investigation, all the project site of the company were fully functional. CARE Ratings notes that various operational and banking transactions of the company remained uninterrupted. CARE Ratings in its interaction with DBL management also understands that the stake sale deal with CUBE Highways is progressing as scheduled and company has also started realizing the money.

However, as cited earlier via credit update on November 25, 2021, CARE Ratings shall continue to monitor the overall project execution of DBL's under implementation project assets, debt reduction progress at standalone/consolidated level and improvement in the working capital intensity by March 31, 2022. Uninterrupted and timely project execution, debt rationalization through easing up of current assets within stipulated time frame and generation of envisaged cash accruals shall continue to remain key rating monitorable.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and rating sensitivities: Click here

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

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About CARE Ratings Limited:
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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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