

DGB Constructions Private Limited

January 12, 2023

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	8.00	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
Short Term Bank Facilities	7.00	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; Based on best available information

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated October 28, 2021, placed the rating(s) of DGB Constructions Private Limited (DCPL) under the 'issuer non-cooperating' category as DCPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. DCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated September 13, 2022, September 23, 2022, October 03, 2022.

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.

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 assigned to the bank facilities of DCPL have been revised on account of non-availability of requisite information. The ratings factored decline in scale of operations, Profitability as well as increase in debt levels during FY21 compare to FY20.

Detailed description of the key rating drivers

Please refer to PR dated [October 28, 2021](#)

Analytical approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Andhra Pradesh based, DGB Constructions Private Limited (DCPL) was incorporated in the year 2011 with its registered office at Kakinada. The company is having Registration of special class (civil) contractor for the Government projects. The promoters of the company are Mr. Golla Babu Dhulipudi (Managing Director), Mr. Rajesh Dhulipudi (Managing Director), Mrs. Lavanyaa Maddala (Director), Mrs. Rajeshwari Dhulipudi (Director) and Ms. Renuka dhulipudi. Mr. Golla Babu Dhulipudi, who have more than two decades of experience in civil construction industry. DGB is primarily engaged in civil construction works relating to construction of houses, hostels, hospitals etc. The company procures its work orders from government of Andhra Pradesh by participating in online tenders. The company has an order book position of Rs.89.37 crore as on June 30, 2019 and the same is likely to be completed by FY21.

Brief Financials (₹ crore)	FY20 (A)	FY21(A)	FY22(A)	9MFY23(Prov.)
Total operating income	16.11	15.89	NA	NA
PBILDT	1.98	2.30	NA	NA
PAT	0.83	0.81	NA	NA
Overall gearing (times)	0.77	0.92	NA	NA
Interest coverage (times)	2.03	1.87	NA	NA

A: Audited; Prov: Provisional; NA: Not Available;

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

Status of non-cooperation with previous CRA: CRISIL continued the ratings assigned to the bank facilities of DCPL to the 'issuer not-cooperating' category vide press release dated January 25, 2022 on account its inability to carryout review in the absence of best available information from the company.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Please refer Annexure 3

Complexity level of various instruments rated for this company: Please refer Annexure 4

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 along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	8.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee	-	-	-	-	7.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	8.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (28-Oct-21)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (19-Oct-20)	1)CARE BB-; Stable (24-Jul-19)
2	Non-fund-based - ST-Bank Guarantee	ST	7.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (28-Oct-21)	1)CARE A4; ISSUER NOT COOPERATING* (19-Oct-20)	1)CARE A4 (24-Jul-19)

*Issuer did not cooperate; Based on best available information

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

Annexure-4: Complexity level of the various instruments rated

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

Annexure 5: Bank Lender Details for this Company

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

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

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About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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.

Disclaimer

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