

March 19, 2012

**CARE revises the ratings assigned to the Bank Facilities of
Dhansar Engineering Company (P) Ltd.**

Ratings

Facilities	Amount (Rs. Crore)	Ratings¹	Remarks
Long-term Bank Facilities	Rs.213.4 (Enhanced from Rs.184.4 crore)	CARE BBB (Triple B)	Revised from CARE BBB- (Triple B Minus)
Short-term Bank Facilities	Rs.10.0 (Reduced from Rs.39.0 crore)	CARE A3+ (A Three Plus)	Revised from CARE A3 (A Three)
Long / Short-term Bank Facilities	Rs.3.0	CARE BBB / CARE A3+ (Triple B / A Three Plus)	Revised from CARE BBB- / CARE A3 (Triple B Minus / A Three)
Total	226.4		

Rating Rationale

The revision in the ratings of Dhansar Engineering Company (P) Ltd. (DECO) takes into account improvement in financial risk profile of the company with growth in revenue, profit levels and improvement in capital structure as well as good revenue visibility backed by healthy order book position. Furthermore, the ratings continue to draw strength from the considerable experience of the promoters, successful track record in mining and allied activities with large fleet of heavy equipment, reputed clientele and satisfactory operating margins. The ratings however, continue to remain constrained by the capital intensive nature of the business resulting in high overall gearing ratio and seasonal nature of the mining industry. DECO's ability to secure orders as envisaged, timely and successful completion of contracts thereof, ability to scale up operation while managing the working- capital effectively and increase profitability on a sustained basis would remain the key rating sensitivities.

Background

Dhansar Engineering Company (P) Ltd. (DECO), belonging to the Agarwalla family of Dhanbad, was incorporated in 1955 by Mr Basant Kumar Agarwalla, with the objective of carrying out iron foundry business. After remaining dormant for over four decades, DECO started civil construction activities in 1998. From 2003 onwards, the company forayed into contract coal mining activities (open cast) and is, currently, into activities like site leveling, excavation, evacuation, surface mining, drilling & blasting, transportation of overburden and ore. This apart, from 2006, DECO has been in wind power generation. Currently, the business is looked after by two sons of Mr Basant Kumar Agarwalla, Mr Ravi Agarwalla, CMD and Mr Aloke Agarwalla, Director, having rich business experience of about three decades in mining & allied and construction activities.

In FY11 (refers to the period April 1 to March 31), DECO reported a PBILDT of Rs.78.8 crore and a Profit after tax of Rs.8.7 crore on a total operating income of Rs.384.0 crore.

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

In first nine months of FY12, the company has achieved a total operating income of Rs.280.0 crore and Profit before tax of Rs.9.1 crore.

Analyst Contact

Name: Hemant Sethia

Tel: 40181653

Mobile: 9836372323

Email: hemant.sethia@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

“Credit Analysis and Research Limited proposes, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed a draft red herring prospectus (“DRHP”) with the Securities and Exchange Board of India (the “SEBI”). The DRHP is available on the website of SEBI at www.sebi.gov.in as well as on the websites of the Book Running Lead Managers at www.investmentbank.kotak.com, www.dspml.com, www.edelcap.com, www.icicisecurities.com, www.idbicapital.com, and www.sbcaps.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled “Risk Factors” of the DRHP.”

[“This press release is not for publication or distribution to persons in the United States, and is not an offer for sale within the United States of any equity shares or any other security of Credit Analysis and Research Limited. Securities of Credit Analysis and Research Limited, including its equity shares, may not be offered or sold in the United States absent registration under U.S. securities laws or unless exempt from registration under such laws.”]

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Mobile : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Suryanarayan Iyer Rangaswamy

Senior Vice President – Marketing

Mobile: +91 9867365827

mail: R.Suryanarayan@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Mobile +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Saikat Roy

Senior Vice President - Marketing

Mobile- +91 9820998779

Email saikat.roy@careratings.com

Mr. Ankur Sachdeva

Vice President – Marketing (SME)

Mobile: +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Prahaldnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - +91 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr. Dinesh Sharma Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – +91 9900041975 E-mail: dinesh.sharma@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – +91 98407 54521 E-mail :Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – +91 91600 74789 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 4018 1600/1601/1602 Mobile – +91 98311 70075 E-mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 3rd floor, B-47, Inner Circle Near Plaza Cinema Connaught Place New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – +91 98117 45677 E-mail :swati.agrawal@careratings.com</p>