

April 11, 2013

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
DHANSAR ENGINEERING COMPANY (P) LTD.**

Ratings

Facilities	Amount (Rs. Crore)	Ratings ¹	Remarks
Long-term Bank Facilities	223.6 (Enhanced from 216.4)	CARE BBB (Triple B)	Reaffirmed
Short-term Bank Facilities	10	CARE A3+ (A Three Plus)	Reaffirmed
Total	233.6		

Rating Rationale

The ratings continue to draw strength from considerable experience of the promoters, successful track record in mining and allied activities, reputed clientele, healthy order book position and moderate financial performance. The ratings however, continue to remain constrained by the capital intensive nature of the business and seasonal nature of the mining industry. The 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 Private 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 engaged in wind power generation. Currently, the business is looked after by two sons of Mr Basant Kumar Agarwalla, Mr Ravi Agarwalla, Director and Mr Aloke Agarwalla, Director.

In FY12 (refers to the period April 1 to March 31), DECO reported a PBILDT of Rs.83.4 crore (Rs.78.8 crore in FY11) and a Profit after tax of Rs.9.4 crore (Rs.8.7 crore in FY11) on a total operating income of Rs.441.4 crore (Rs.384.0 crore in FY11). In 9MFY13, the company has achieved total operating income of Rs.354.9 crore and profit before tax of Rs.12 crore.

Analyst Contact

Name: Ayush Poddar

Tel # 033 4018 1637

Mobile # 098311 39739

Email: ayush.poddar@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.

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

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.

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. Rajesh Mokashi

Dy. Managing Director

Mobile +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Vice President – Banks & Financial Services

Mobile: +91-9819698985

Email ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LTD

HEAD OFFICE 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 | Tel: +91-022- 6754 3456 | E-mail: care@careratings.com | Fax: +91-022- 6754 3457.

KOLKATA | **Ms. Priti Agarwal** | Cell: +91-98319 67110 | Tel: +91-33- 4018 1600/ 1602 |

E- mail: priti.agarwal@careratings.com | 3rd Flr., Prasad Chambers (Shagun Mall Bldg), 10A, Shakespeare Sarani, Kolkata -700 071

CHENNAI | **Mr. V Pradeep Kumar** | Cell: +91 9840754521 | Tel: +91-44-2849 7812/2849 0811 | Fax: +91-44-2849 0876 | Email: pradeep.kumar@careratings.com | Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002

AHMEDABAD | **Mr. Mehul Pandya** | Cell: +91-98242 56265 | Tel: +91-79-40265656 | Fax: +91-79-40265657 | E-mail:mehul.pandya@careratings.com | 32, Titanium, Prahaladnagar Corporate Road, Satellite, Ahmedabad - 380 015.

NEW DELHI | **Ms. Swati Agrawal** | Cell: +91-98117 45677 | Tel: +91- 11- 2331 8701/ 2371 6199 |

E-mail: swati.agrawal@careratings.com | 3rd Floor, B -47, Inner Circle, Near Plaza Cinema, Connaught Place, New Delhi - 110 001.

BENGALURU | **Mr. Dinesh Sharma** | Cell: +91 9900041975 | Tel: +91-80-22117140 |

E-mail: dinesh.sharma@careratings.com | Unit No. 8, I floor, Commander's Place, No. 6, Raja Ram Mohan Roy Road, (Opp. P F Office), Richmond Circle, Bangalore - 560 025.

HYDERABAD | **Mr. Saikat Roy** || Tel: +91-40-40102030 |

E-mail: saikat.roy@careratings.com | 401, Ashoka Scintilla | 3-6-520, Himayat Nagar | Hyderabad - 500 029.

PUNE | **Mr. Rahul Patni** | Cell: +91-78754 33355 | Tel: +91-20- 4000 9000 |

E-mail: rahul.patni@careratings.com | 9th Floor, Pride Kumar Senate, Plot No. 970, Bhamburda, Senapati Bapat Road, Shivaji Nagar, Pune - 411 015.

JAIPUR | **Mr. Rahul Jain** | Cell: +91-9314921496 | Tel: +91-0141-4020213/14 |

E-mail: rahul.jain@careratings.com | 304, Pashupati Akshat Height, s Plot No. D-91, Madho Singh Road, Near Collectorate Circle, Bani Park , Jaipur – 302016.