

Press Release
DAMODAR CONSTRUCTION COMPANY
January 22, 2024
Rating Withdrawn



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term
Bank Loan Ratings	3.00	Not Applicable Withdrawn	-
Bank Loan Ratings	4.00	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	7.00	-	-

Rating Rationale

Acuite has withdrawn the long term and short term bank facilities of 7.00 Cr. of damodar construction company has been withdrawn without assigning any rating as the loan availed by the company has been repaid.

The rating has been withdrawn on Acuite's policy of withdrawal of ratings. The rating has been withdrawn on account of the request received from the company, and the NDC received from the banker.

About the Company

The Punjab-based, Damodar Construction Company (DCC) was established in 2010 by Mr. Rakesh Bansal. The partnership firm undertakes work contract for the Indian Railways such as the construction of civil engineering structures like bridges, limited height subways, foot-over board bridges, railway bridges among others.

Unsupported Rating

Not Applicable

Analytical Approach

Not Applicable

Key Rating Drivers

Strengths

Not Applicable

Weaknesses

Not Applicable

Rating Sensitivities

Not Applicable

Liquidity Position

Not Applicable

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 17 (Actual)	FY 16 (Actual)
Operating Income	Rs. Cr.	30.73	17.93
PAT	Rs. Cr.	2.15	1.14
PAT Margin	(%)	6.98	6.33
Total Debt/Tangible Net Worth	Times	0.71	1.14
PBDIT/Interest	Times	6.35	4.33

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
16 Jan 2023	Bank Guarantee	Short Term	4.00	ACUITE A4+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	3.00	ACUITE BB- (Issuer not co-operating*)
25 Oct 2021	Bank Guarantee	Short Term	4.00	ACUITE A4+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	3.00	ACUITE BB- (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	Not Applicable Withdrawn
Union Bank of India	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	Not Applicable Withdrawn

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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