



Press Release
DOZCO INDIA PRIVATE LIMITED
March 12, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	122.34	ACUITE BBB+ Reaffirmed & Withdrawn	-
Bank Loan Ratings	1.66	Not Applicable Withdrawn	-
Bank Loan Ratings	106.00	-	ACUITE A2 Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	230.00	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn its long-term rating of 'ACUITE BBB+' (**read as ACUITE triple B plus**) and short-term rating of 'ACUITE A2' (**read as ACUITE A two**) on bank facilities of Rs.228.34 Cr. of Dozco India Private Limited. The rating has been withdrawn on account of the request received from the company and NOCs (No Objection Certificates) received from the respective bankers.

Acuite has also withdrawn the proposed long-term loan of Rs. 1.66 Cr. without assigning any rating as it is a proposed long term loan for Dozco India Private Limited. The rating has been withdrawn on account of the request received from the company .

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility.

Rationale for rating

The rating derives comfort from the long track record of operations, increaseing revenues albeit declining operating profitability, healthy financial risk profile and adequate liquidity; however these strengths are partly offset by intensive working capital cycle.

About the Company

Incorporated in 1992, Dozco India Private Limited (DIPL) is engaged in trading of heavy earth moving & construction equipment, spare parts and manufacturing of mining equipment. DIPL is promoted by the Bangur family and the company is currently headed by Mr. Radhe Shyam Bangur, Mr. Shiv Kumar Bangur, Mr. Om Prakash Bangur, Mr. Ramesh Kumar Bangur, Mr. Nand Gopal Bangur and Mr. Kamal Kishore Bangur.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered standalone business and financial risk profile to arrive at the rating of Dozco India Private Limited

Key Rating Drivers

Strengths

Business Risk Profile

Increasing revenues albeit declining operating profitability margin

The revenues have increased to Rs. 453 Cr. as on March 31, 2024 as compared to Rs. 386.63 Cr. as on March 31, 2023. The growth in top line is due to the increase in sale of HEMM machineries and mining equipment along with the spare parts business. The operating profitability has decreased to 9.82 percent as on March 31, 2024 as

compared to 10.65 percent as on March 31, 2023.

Healthy financial risk profile

The company's financial risk profile is marked by healthy net worth, comfortable gearing and debt protection metrics. The tangible net worth (TNW) of the company increased to Rs.221.72 Cr. as on March 31, 2024 from Rs.213.37 Cr. as on March 31, 2023 due to accretion of reserves. The gearing of the company stood comfortable at 0.79 times as on March 31, 2024 as against 0.68 times as on March 31, 2023. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood comfortable at 1.23 times as on March 31, 2024 as against 1.10 times as on March 31, 2023. The healthy debt protection metrics of the company is marked by Interest Coverage Ratio (ICR) at 2.91 times as on March 31, 2024, however, the Debt Service Coverage Ratio (DSCR) stood at a moderate level of 1.52 times as on March 31, 2024. Acuité believes that going forward the financial risk profile of the company will remain healthy over the medium term, in the absence of any major debt funded capex plans.

Weaknesses

Working capital intensive nature of operations

The working capital-intensive nature of operations of the company is marked by high Gross Current Assets (GCA) of 282 days as on March 31, 2024 as compared to 315 days as on March 31, 2023. The inventory days stood at 225 days in March 31, 2024 as compared to 266 days as on March 31, 2023. However, the debtor days stood at 64 days as on March 31, 2024 as compared from 62 days as on March 31, 2023. The creditor days stood at 100 days as on March 31, 2024 as compared to 110 days as on March 31, 2023. Acuité believes that the working capital operations of the company will improve over the medium term.

Rating Sensitivities

Not Applicable

Liquidity Position

Adequate

The company's liquidity is adequate marked by steady net cash accruals of Rs. 25.29 Cr. as on March 31, 2024 as against long term debt repayment of Rs.10.81 Cr. over the same period. The current ratio stood comfortable at 1.62 times as on March 31, 2024 as compared to 1.83 times as on March 31, 2023. The cash and bank balances of the company stood at Rs 1.06 Cr. as on March 31, 2024. The company does not have any significant capex plans in the near to medium term. Acuité believes that the financial risk profile of the company is likely to remain healthy over the medium term, in the absence of any major debt funded capex plans.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	453.00	386.63
PAT	Rs. Cr.	17.52	11.50
PAT Margin	(%)	3.87	2.97
Total Debt/Tangible Net Worth	Times	0.79	0.68
PBDIT/Interest	Times	2.91	2.89

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- 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>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité 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
26 Jun 2024	Letter of Credit	Short Term	36.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	27.50	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	8.50	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	16.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	8.00	ACUITE A2 (Reaffirmed)
	Term Loan	Long Term	3.29	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	39.00	ACUITE BBB+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	4.22	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	14.00	ACUITE BBB+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.44	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	22.00	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	3.81	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	2.23	ACUITE BBB+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.71	ACUITE BBB+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	3.92	ACUITE BBB+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.72	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.66	ACUITE BBB+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.57	ACUITE BBB+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	5.43	ACUITE BBB+ Stable (Reaffirmed)
	Letter of Credit	Short Term	36.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	27.50	ACUITE A2 (Downgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	8.50	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	8.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	16.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Cash Credit	Long Term	12.50	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)

31 May 2023	Cash Credit	Long Term	26.50	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Covid Emergency Line.	Long Term	10.85	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	14.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Term Loan	Long Term	1.75	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	22.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Term Loan	Long Term	8.65	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Covid Emergency Line.	Long Term	3.41	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Covid Emergency Line.	Long Term	4.34	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
03 May 2022	Cash Credit	Long Term	12.50	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	26.50	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	1.38	ACUITE A- Stable (Assigned)
	Covid Emergency Line.	Long Term	3.24	ACUITE A- Stable (Assigned)
	Covid Emergency Line.	Long Term	12.50	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	14.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	1.60	ACUITE A- Stable (Assigned)
	Covid Emergency Line.	Long Term	2.16	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	22.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	7.07	ACUITE A- Stable (Assigned)
	Covid Emergency Line.	Long Term	4.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	13.61	ACUITE A- Stable (Assigned)
	Covid Emergency Line.	Long Term	5.13	ACUITE A- Stable (Assigned)
	Letter of Credit	Short Term	26.00	ACUITE A2+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	2.40	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	8.50	ACUITE A2+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	2.65	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	8.00	ACUITE A2+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	4.71	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	27.50	ACUITE A2+ (Assigned)
		Short		

	Bank Guarantee (BLR)	Term	12.00	ACUITE A2+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	2.55	ACUITE A2+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A2 Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	39.00	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2028	3.92	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
ICICI Bank Ltd	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2027	0.72	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Apr 2026	2.23	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
Small Industries Development Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2028	1.71	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2026	4.22	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
Small Industries Development Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Jan 2026	1.57	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
Small Industries Development Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 May 2025	5.43	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
ICICI Bank Ltd	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2025	0.44	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
	Not			Not avl.				ACUITE A2

State Bank of India	avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	/ Not appl.	Not avl. / Not appl.	27.50	Simple	Reaffirmed & Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A2 Reaffirmed & Withdrawn
ICICI Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.50	Simple	ACUITE A2 Reaffirmed & Withdrawn
Indusind Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	36.00	Simple	ACUITE A2 Reaffirmed & Withdrawn
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE A2 Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.66	Simple	Not Applicable Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Apr 2030	3.29	Simple	ACUITE BBB+ Reaffirmed & Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2025	3.81	Simple	ACUITE BBB+ Reaffirmed & Withdrawn

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