



Press Release
DHATARWAL CONSTRUCTION COMPANY PRIVATE LIMITED
October 01, 2024
Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|---------------------|--|--|
| Bank Loan Ratings | 17.00 | ACUITE BB+ Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 83.00 | - | ACUITE A4+ Downgraded Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 100.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE BB+**’ (read as **ACUITE Double B plus**) from ‘**ACUITE BBB**’ (read as **ACUITE Triple B**) and short-term rating to ‘**ACUITE A4+**’ (read as **ACUITE A four plus**) from ‘**ACUITE A3+**’ (read as **ACUITE A three plus**) on the Rs.100.00 Cr. bank facilities of Dhatarwal Construction Company Private Limited (DCCPL). The rating is now flagged as “Issuer Not-Cooperating” on account of information risk and is based on the best available information. The rating has been downgraded on account of information risk and the company has not provided latest NDS.

About the Company

Dhatarwal Construction Company Private Limited was incorporated in 2009 and is based in Haryana. The company is engaged in engaged into construction and development of road projects on EPC basis for government departments. Currently the company is managed by Mr. Rajbir Singh, Mr. Narinder and Mr. Somvir Singh.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company’s management has remained non-cooperative and not submitted the NDS. The issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as “Issuer not-cooperating”, in line

with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 23 (Actual) | FY 22 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 402.41 | 205.29 |
| PAT | Rs. Cr. | 24.88 | 9.74 |
| PAT Margin | (%) | 6.18 | 4.74 |
| Total Debt/Tangible Net Worth | Times | 0.76 | 1.42 |
| PBDIT/Interest | Times | 9.17 | 9.07 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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. Acuité'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 |
|-------------|----------------------------------|------------|-----------------|--------------------------------|
| 04 Aug 2023 | Bank Guarantee (BLR) | Short Term | 50.00 | ACUITE A3+ (Assigned) |
| | Bank Guarantee (BLR) | Short Term | 33.00 | ACUITE A3+ (Assigned) |
| | Cash Credit | Long Term | 10.00 | ACUITE BBB Stable (Assigned) |
| | Proposed Long Term Bank Facility | Long Term | 4.00 | ACUITE BBB Stable (Assigned) |
| | Cash Credit | Long Term | 3.00 | ACUITE BBB Stable (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating |
|----------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|--|
| HDFC Bank Ltd | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 50.00 | Simple | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+) |
| Yes Bank Ltd | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 33.00 | Simple | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+) |
| Yes Bank Ltd | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 3.00 | Simple | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB) |
| HDFC Bank Ltd | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 10.00 | Simple | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB) |
| Not Applicable | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 4.00 | Simple | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB) |

* The issuer did not co-operate; based on best available information.

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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