
October 20, 2010

**CARE ASSIGNS 'CARE BBB-' AND 'PR3' TO THE BANK FACILITIES OF
DECCAN ENTERPRISES PVT. LTD.**

Ratings Assigned

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	8.11	'CARE BBB-' (Triple B Minus)	Assigned
Short-term Bank Facilities	4.00	'PR3' (PR Three)	Assigned
Total Facilities	12.11		

Rating Rationale

The ratings takes into account DEPL's track record, experienced promoters, Government-approved in-house R&D centre, satisfactory capital structure, moderate order book and expected growth in the power industry. The rating is however constrained by the small size of the company in a fragmented market, low operating margins, moderate debt service indicators, susceptibility of margins to exchange rate fluctuations and reliance on dividend income from the joint venture with Amiantit Rubber Industries Ltd. The ability of the company to grow market share and sustain profitability margins in a competitive environment will be the key rating sensitivities.

Company Profile

Deccan Enterprises Pvt. Ltd. (DEPL) was incorporated by Mr O.P. Jalan in 1966 for the manufacturing of various rubber-related products. In 2004, DEPL embarked on designing and manufacturing of Silicon Composite Insulators which are primarily used in High Voltage Electric Transmission. DEPL has manufacturing facilities located at Balanagar, Hyderabad. DEPL is closely-held and managed by the promoter Mr O.P. Jalan and his son Mr. Vikas Jalan. DEPL's silicon insulators are sold under the brand 'Decosil'. The insulators mainly cater to three segments viz. Railways (25kv), Power Distribution (11kv- 33kv), and Transmission (66kv-400kv).

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

During FY10, DEPL achieved a PAT of Rs.2.08 crore on a turnover of Rs.20.08 crore (PAT of Rs.1.80 on a turnover of Rs.17.53 crore during FY09).

Analyst Contact

Name: Rahul Patni

Tel # 040-40102030

Mobile # 91600 04563

Email: rahul.patni@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.

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

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. P N Sathees Kumar

Executive Vice President – Marketing

Mobile: +91-9820416004

mail:sathees.kumar@careratings.com

Mr. Ankur Sachdeva

Vice President – Marketing (SME)

Mobile: +91-9819698985

E-mail: ankur.sachdeva@careratings.com

Mr. Vivek Palan

Manager – Banking & Finance

Mobile: +91-98206 06406

E-mail:vivek.palan@careratings.com

4 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 Pralhadnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan 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 – 98803 60878 E-mail: sundara.vathanan@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 – 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 – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3 Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>