

May 12, 2010

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF DEWAS BHOPAL CORRIDOR LTD.****Rating**

<b>Facilities/Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	345	<b>'CARE BBB(SO) *</b>	Reaffirmed
<b>Total Facilities</b>	<b>345</b>		

*\*Rating is primarily driven by the corporate guarantee extended by CEL (Chetak Enterprise Limited) and MSK (MSK Projects (India) Limited) towards debt servicing.*

**Rating Rationale**

Rating of CEL continue to consider stable toll generation & profitability derived from completed BOT projects, experienced promoters and good financial flexibility. Nevertheless, rating of CEL is constrained by its increasing exposure towards BOT project and moderate scale of operations.

Rating of MSK continue to consider stable toll generation & profitability derived from completed BOT projects, experienced promoters, diversified revenue stream from industrial, road & residential construction and reputed clientele in respect of construction projects. Ratings also consider improvement in the financial flexibility & liquidity during 9MFY10 and thrust of government on infrastructure segment. However, Rating of MSK is continue to be constrained by delays in some of the completed projects with cost overrun, exposure to BOT & fixed price projects and fragmented nature of construction industry with intense competition. Rating of MSK is also constrained by impact on cash flow due to delay in stabilization of Dewas Water Supply project.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com)

---

### **Company Profile**

DBCL, an SPV promoted by CEL (50% share), MSK (39% share) and BSBK Ltd (BSBK) (11% share), was incorporated in Apr.07 for the purpose of Strengthening, Up-gradation and four laning of Bhopal Dewas section of SH-18 in Madhya Pradesh on Built-Operate and Transfer (B.O.T) basis. Major responsibility of project execution lies with main promoters CEL and MSK. Out of total EPC cost of Rs. 560.63 crore, Rs.541.32 crore has been incurred up to Nov.30, 2009. Considering the progress of the project, it is expected to be completed as per original schedule i.e. Sep.30, 2010. However, DBCL's ability complete the project within allocated cost is crucial.

### **Analyst Contact**

Name: Yogesh Shah

Tel # 079-40265603

Mobile # +91 94288 13912

Email: [yogesh.shah@careratings.com](mailto:yogesh.shah@careratings.com)

***CARE classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries /regulators or others are welcome to write to [care@careratings.com](mailto: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. Ankur Sachdeva**

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4<sup>th</sup> 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, <b>Ahmedabad - 380 015.</b> 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, <b>Bangalore - 560 025.</b> Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, <b>Chennai 600 002</b> Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar <b>Hyderabad - 500 029</b>  Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3<sup>rd</sup> Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani <b>Kolkata - 700 071.</b> 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, <b>New Delhi - 110 001.</b> Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>