

## Dekson Castings Limited

April 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	10.17	CARE D	Assigned
Long Term Bank Facilities	17.83 (Enhanced from 12.62)	CARE D	Rating removed from ISSUER NOT COOPERATING category and Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The reaffirmation in the rating assigned to the bank facilities of Dekson Castings Limited (DCL) takes into account continued delays in debt servicing due to stretched liquidity position.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Establishing a track record of timely servicing of debt obligations for a period of minimum 3 consecutive months

#### Negative factors

- Not Applicable

**Analytical approach:** Standalone

**Outlook:** Not applicable

### Detailed description of key rating drivers:

#### Key weaknesses

##### Delays in debt servicing

CARE Ratings Limited (CARE Ratings) has observed delays in servicing of debt obligations of its funded interest term loan rated by CARE Ratings, wherein the interest payment for December 2024 was made with a delay of 5-7 days in January 2025.

##### Moderate scale of operations, thin profitability:

Over the four years ended FY24 (refers to April 1 to March 31), the TOI of the company remained in the range of Rs.30-35 crore. PBILDT margin also witnessed down trend which declined from 14.87% in FY20 to -1.50% in FY24 (8.49% in FY23).

##### Leveraged capital structure

The capital structure of the company remained leveraged with overall gearing of 29.44x as on March 31, 2024 (PY: 5.98x) owing to increased reliance on external debt and shrinking networth position due to losses reported in FY24. DCL's outstanding loans have been restructured effective from July 2024. Additionally, DCL had been sanctioned a Funded Interest Term Loan (FITL) in July 2024, for which the monthly interest payment was to be made starting August 2024.

##### Liquidity: Poor

The liquidity position is poor marked by full utilization of working capital limits and low cash and bank balance.

**Assumptions/Covenants:** Not applicable

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Auto Components & Equipments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Ferrous Metals	Iron & Steel

Dekson Castings Limited (DCL) was established in the year 1993 as a proprietorship concern and was later reconstituted as a private limited company in the year 2005 and later as a public limited company in February, 2014. DCL is engaged in the manufacturing of aluminium sand castings and gravity die castings (GDC) components and caters mainly to the two- wheeler segment in the auto industry as well as non-auto applications, viz, electrical energy. The manufacturing unit of the company is located in Aurangabad.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	42.62	32.00	18.03
PBILDT	3.62	-0.48	-1.49
PAT	-2.01	-3.42	-4.52
Overall gearing (times)	5.98	29.44	-9.81
Interest coverage (times)	1.31	-0.16	-1.27

A: Audited UA: Unaudited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE D
Fund-based - LT-Term Loan		-	-	March 2031	17.83	CARE D
Fund-based-Long Term		-	-	-	0.17	CARE D

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	17.83	CARE D	1)CARE D; ISSUER NOT COOPERATING * (03-Jun-24) 2)CARE B-; Stable; ISSUER NOT COOPERATING * (10-May-24)	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (15-Feb-23)	1)CARE B; Stable; ISSUER NOT COOPERATING * (22-Nov-21)
2	Fund-based - LT-Cash Credit	LT	10.00	CARE D				
3	Fund-based-Long Term	LT	0.17	CARE D				

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based-Long Term	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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### About us:

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