Dali & Samir Engineering Private Limited

October 01, 2025

Facilities/Instruments	Amount (₹ crore)	Ratings[1]	Rating Action
Long Term / Short Term Bank Facilities	28.22	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE BBB; Stable / CARE A3 and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Dali & Samir Engineering Private Limited (DSEPL) to monitor the ratings vide e-mail communications/letters dated August 11, 2025, September 09, 2025 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Further, Dali & Samir Engineering Private Limited has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings on Dali & Samir Engineering Private Limited's bank facilities will now be denoted as **CARE BB+; Stable/ CARE A4+; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The ratings assigned to the bank facilities of DSEPL have been revised on account of lower than envisaged scale of operations and profitability in FY25 (refers to period April 01 to March 31) and non-submission of No Default Statement (NDS).
The ratings are further constrained by working capital intensive nature of operations, susceptibility of profitability to fluctuations in raw material prices and presence in a highly competitive and cyclical industry.
The ratings, however, derive comfort from experienced management along with long track record of operations and association with reputed clientele. The ratings further derive strength from comfortable capital structure and debt coverage indicators and adequate liquidity position.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that the company will continue to benefit from experienced promoters and established relations with its reputed customers and is likely to maintain its financial risk profile in the medium term.

Detailed description of key rating drivers:

At the time of last rating on July 23, 2024, the following were the rating strengths and weaknesses [updated for the information received from DSEPL]:

Key weaknesses

Working capital intensive nature of operations

Being in the auto ancillary industry, the company's operations remain working capital intensive. The operating cycle remained moderate at 51 days in FY25 (PY: 48 days), primarily driven by a moderate collection period of 39 days. Also, DSEPL has to maintain sufficient inventory to ensure uninterrupted production and timely execution of orders. However, the order-backed nature of inventory mitigates this risk to a certain extent. Currently, the company meets its working capital requirements through a mix of internal accruals and working capital facilities from banks.

Susceptibility of profitability to fluctuations in raw material prices

The primary raw material required by the company is Mild Steel, the prices of which are volatile in nature. Therefore, the cost base remains exposed to any adverse price fluctuations in the prices of raw materials. However, DSEPL has entered into tripartite agreement with OEMs and suppliers which mitigates the risk to a certain extent.

Presence in highly competitive and cyclical industry

The auto-ancillary industry is highly competitive with a large number of players in the organised and unorganised sector. While the organised segment majorly caters to OEMs, the unorganised segment mainly caters to the replacement market.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Furthermore, the automobile industry is cyclical and automotive component suppliers' sales are directly linked to sales of auto OEMs, which are linked with economic activity. The auto industry is inherently vulnerable to economic cycles, industrial growth, investments in infrastructure, and regulatory changes.

Key strengths

Well-established track record and extensive experience of management in the industry

DSEPL has an established track record of over five decades in the auto ancillary industry. The directors, Samir Salian and Sandesh Salian have an experience of more than two decades in the industry. Their experience and strong understanding of market dynamics have enabled DSEPL to maintain healthy relations with customers and suppliers and entail repeat orders from them. They are supported by a qualified team of professionals with significant experience in their respective fields.

Association with reputed clientele; albeit customer concentration risk

DSEPL offers a wide range of products including fuel tanks, exhaust systems, oil pans, hydraulic tanks, vacuum tanks, and surge tanks for sectors like automotive and defence. DSEPL primarily caters to OEMs and other major players like Tata Motors Limited, Ashok Leyland Limited, Mahindra & Mahindra Limited among others in the domestic market. However, the customer base is concentrated with top 5 clients contributing to around 70% of its total operating income (TOI). The counterparty risk is partially mitigated by association with reputed clientele.

Moderate scale of operations and profitability

In FY25, DSEPL's TOI has remained stable at ₹229.42 crore (PY: ₹230.96 crore). Furthermore, the company has booked sales of ₹56.77 crore in Q1FY26 (refers to period April 01 to June 30).

In FY25, the PBILDT margin declined to 4.49% (PY: 6.85%). However, the same has improved to 5.09% in Q1FY26. The PAT margin also declined in lines with PBILDT margin to 1.97% in FY25 (PY: 3.84%).

Comfortable capital structure and debt coverage indicators

DSEPL's debt profile mainly comprises of working capital borrowings and unsecured loans from promoters. As on March 31, 2025, the capital structure improved and continued to remain comfortable with an overall gearing of 0.24x (PY: 0.31x) owing to lower utilization of the working capital limit as on balance sheet date and accretion of profits to reserves. In the absence of debt funded capital expenditure (capex), the capital structure is expected to remain comfortable over the medium term.

Debt coverage indicators also continued to remain comfortable in FY25 with total debt/ gross cash accruals (TD/GCA) and interest coverage of 1.36x and 16.62x respectively (PY: 1.19x and 24.70x respectively).

Liquidity: Adequate

The liquidity position is adequate marked by annual gross cash accruals of ₹7-8 crore against minimal repayment obligations over FY26-FY28. As on June 30, 2025, free cash and bank balance stood at ₹7.59 crore. Also, the average maximum utilization of working capital limits stood at around 42% for the twelve months ended April 30, 2025. The unutilised portion of working capital limits gives additional cushion to liquidity.

Applicable criteria

Definition of Default
Information Adequacy Risk and Issuer Non-Cooperation
Rating Outlook and Rating Watch
Liquidity Analysis of Non-Financial Sector Entities
Manufacturing Companies
Financial Ratios – Non financial Sector
Auto Components & Equipments
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Automobile and Auto Components	Auto Components	Auto Components & Equipments

In 1972, Madhav Salian and Indira M. Salian established DSEPL as a partnership firm, which was reconstituted as a private limited company in 1979. DSEPL is engaged in the manufacturing of fuel tanks, exhaust systems, oil pans, cross car beams, hydraulic tanks, vacuum tanks, and surge tanks. These products find applications in industries such as automotive, agriculture, and defence. DSEPL has four manufacturing facilities located at Chinchwad (Pune), Chakan (Pune), Hosur (Tamil Nadu) and Pantnagar (Uttarakhand).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)	Q1FY26 (Prov.)
Total operating income	230.96	229.42	56.77
PBILDT	15.83	10.30	2.89
PAT	8.87	4.53	NA
Overall gearing (times)	0.31	0.24	NA
Interest coverage (times)	24.70	16.62	NA

A: Audited; Prov.: Provisional; NA: Not Available; 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
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC		-	-	-	28.22	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*

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

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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (18-Aug-23)	1)CARE BBB-; Stable (30-Aug-22)
2	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	28.22	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BBB; Stable / CARE A3 (23-Jul-24)	1)CARE BBB; Stable / CARE A3 (18-Aug-23)	1)CARE BBB-; Stable / CARE A3 (30-Aug-22)

*Issuer did not cooperate; based on best available information.
LT: Long 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	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

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

Contact us

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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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