

Daulat Ram Engineering Services Private Limited

March 24, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	6.68	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	90.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	96.68 (Rs. Ninety-Six Crore and Sixty-Eight Lakhs Only)		

Details of instruments/facilities in Annexure-1;

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Daulat Ram Engineering Services Private Limited (DRSPL) to monitor the ratings vide e-mail communications dated January 08, 2021, January 21, 2021, January 25, 2021, February 10, 2021 and February 23, 2021 along with 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, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. Further, DRSPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on DRSPL's bank facilities will now be denoted as **CARE D / CARE D; 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 rating.

Detailed description of the key rating drivers

At the time of last rating of March 30, 2020, the following were following were the key rating drivers (updated based on best available information)

Key Rating Weaknesses

Ongoing delays in debt servicing: As per interaction with the lender, there are on-going delays in debt servicing. Also, company availed six months moratorium offered by the RBI under Covid-19 relief package as confirmed by one of the lenders.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[CARE's methodology for manufacturing companies](#)

[Financial ratios – Non-Financial Sector](#)

About the Company

Raisen, Madhya Pradesh based Daulat Ram Engineering Services Pvt. Ltd. (DRSPL) (CIN: U74210MP1997PTC011601) was incorporated in 1997 by Mr. Chandra Prakash Sharma. Initially, the company was engaged in repair, reconditioning and rehabilitation of dynamic braking resistors for Indian Railways. Later, DRPL commenced manufacturing of motors, traction motors and alternators, auxiliary generator, traction motors, oil cooling blower and many other engineering products which find its application in railway locomotives. It supplies its products to various diesel locomotive manufacturing units of Indian Railways including DMW – Patiala, DLW – Varanasi, ICF – Chennai and National Railway Equipment Company (NREC) for onward supply to Indian Railways. DRPL also commenced manufacturing and installation of escalators at various railway stations as well as manufacturing of vacuum toilet systems for rail coaches.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	44.29	93.95
PBILDT	9.85	13.71
PAT	1.81	1.32
Overall gearing (times)	1.31	1.14
Interest coverage (times)	1.52	1.59

*A: Audited; *FY20 (A) financial available from MCA

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of instruments/facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	January 2024	6.33	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-CC/PC/Bill Discounting	-	-	-	50.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantees	-	-	-	40.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	January 2024	0.35	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	6.33	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (30-Mar-20) 2)CARE D (02-Mar-20) 3)CARE BB+; Stable (03-Apr-19)	1)CARE BB+; Stable (04-Apr-18)	1)CARE BB; Stable (28-Apr-17)
2.	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	50.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D (30-Mar-20) 2)CARE D / CARE D (02-Mar-20) 3)CARE BB+; Stable / CARE A4+ (03-Apr-19)	1)CARE BB+; Stable / CARE A4+ (04-Apr-18)	1)CARE BB; Stable / CARE A4 (28-Apr-17)
4.	Non-fund-based - LT/ ST-Bank Guarantees	LT/ST	40.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D (30-Mar-20) 2)CARE D / CARE D (02-Mar-20) 3)CARE BB+; Stable / CARE A4+ (03-Apr-19)	1)CARE BB+; Stable / CARE A4+ (04-Apr-18)	1)CARE BB; Stable / CARE A4 (28-Apr-17)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
6.	Fund-based - LT-Term Loan	LT	0.35	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (30-Mar-20) 2)CARE D (02-Mar-20) 3)CARE BB+; Stable (03-Apr-19)	1)CARE BB+; Stable (04-Apr-18)	1)CARE BB; Stable (28-Apr-17)

*Issuer did not cooperate; based on best available information

Annexure-3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple
2.	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
3.	Non-fund-based - LT/ ST-Bank Guarantees	Simple

Note on complexity levels of the rated instrument: 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.

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About CARE Ratings:

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