Damodar Industries Limited

April 26, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Fixed Deposit	40.00	CARE BB+ (FD); Stable; ISSUER NOT COOPERATING* [Double B Plus (Fixed Deposit); Outlook: Stable ISSUER NOT COOPERATING*]	Rating continues to remain under ISSUER NOT COOPERATING category
Total Medium Term Instruments	**40.00 (Rs. Forty Crore Only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Limited had, vide its press release dated February 01, 2021, placed the rating of Damodar Industries Limited (DIL) under the 'Issuer non-cooperating' category as DIL had failed to provide information for monitoring as agreed in its Rating Agreement. DIL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated April 01, 2022; April 18, 2022 and April 19, 2022. 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.

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

Detailed description of the key rating drivers

Please refer to PR dated February 01, 2021

Analytical approach: Standalone

Applicable Criteria

Policy in respect of Non-cooperation by issuer
Criteria on assigning Outlook to Credit Rating
Criteria for Short Term Instruments
CARE's default recognition policy
Financial ratios - Non Financial Sector
Rating methodology – Manufacturing companies
Rating Methodology for Cotton Textile Manufacturing

About the Company

Damodar Industries Limited (DIL) was incorporated in 1987 by Mr. Arun Biyani and his brothers Mr. Ajay Biyani and Mr. Anil Biyani. DIL was converted into public limited company on March 20, 1992. DIL is engaged in the business of manufacturing Cotton and Blended Fancy yarns. The Company has production facilities for Cotton Spinning, Synthetic Spinning, Air Texturizing, Yarn Dyeing, Multi Print Space Dyeing Mono Filament Polyester Yarns and Textured Twisted Yarns. The company is also involved in trading of yarn. Its manufacturing facilities are located at Dadra, Daman and Amravati (Maharashtra).

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	9MFY22 (UA)
Total operating income	770.62	575.07	657.59
PBILDT	45.67	45.55	59.39
PAT	(6.94)	(6.20)	12.36
Overall gearing (times)	3.48	3.18	NA
Interest coverage (times)	1.35	1.49	2.71

A: Audited; UA: Un-audited; NA: Not available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

1Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fixed Deposit		-	-	-	40.00	CARE BB+ (FD); Stable; ISSUER NOT COOPERATING*

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 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BB+; Stable (28-Jan-22) 2)Withdrawn (28-Jan-22)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (01-Feb-21)	1)CARE BBB-; Stable (08-Jan-20) 2)CARE BBB; Stable (13-Aug-19)
2	Fixed Deposit	LT	40.00	CARE BB+ (FD); Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB+ (FD); Stable; ISSUER NOT COOPERATING* (01-Feb-21)	1)CARE BBB- (FD); Stable (08-Jan-20) 2)CARE BBB (FD); Stable (13-Aug-19)
3	Fund-based - LT/ ST-Working Capital Limits	LT/ST*	-	-	-	1)CARE BB+; Stable / CARE A4+ (28-Jan-22) 2)Withdrawn (28-Jan-22)	1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* (01-Feb-21)	1)CARE BBB-; Stable / CARE A3 (08-Jan-20) 2)CARE BBB; Stable / CARE A3+ (13-Aug-19)
4	Non-fund-based - ST-BG/LC	ST	-	-	-	1)CARE A4+ (28-Jan-22) 2)Withdrawn (28-Jan-22)	1)CARE A4+; ISSUER NOT COOPERATING* (01-Feb-21)	1)CARE A3 (08-Jan-20) 2)CARE A3+ (13-Aug-19)

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not available

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fixed Deposit	Simple

Annexure 5: Bank Lender Details for this Company
To view the lender wise details of bank facilities please click here

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:
Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.
With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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