

## Danem Heavy Industries Private Limited

April 29, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	30.00	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
<b>Total Bank Facilities</b>	<b>30.00</b> <b>(Rs. Thirty</b> <b>Core Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated February 04, 2021, placed the rating(s) of Danem Heavy Industries Private Limited (DHIPL) under the 'issuer non-cooperating' category as DHIPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. DHIPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 01, 2022, April 04, 2022, April 06, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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).

The ratings assigned to the bank facilities of DHIPL have been revised on account of non-availability of requisite information. The ratings also factored accumulating of net losses as well as weak debt coverage indicators and leveraged capital structure during FY21.

### Detailed description of the key rating drivers

Please refer to PR dated [February 04, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

M/s. Danem Heavy Industries Private Limited (DHIPL) was incorporated on 1st March 2016, registered under companies' act 2013. The company is having its registered office at Ernakulum, Kerala. The company proposes to engage in fabrication of Windmill Tower, Pressure Vessels & Tanks, Structural Steel, Material Handling equipments, Gas Turbine Auxiliaries and Supply Auto Auxiliaries. DHIPL belongs to Danem Group, headquartered in UAE. The promoters are Mr. Parayil Daniel Mathew and Ms. Susan Mathew, who are also the directors of other associate companies under Danem Group. The current project is yet to be executed.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22(Prov.)
Total operating income	0.00	0.00	NA
PBILDT	-0.35	-0.07	NA
PAT	-2.27	-0.57	NA
Overall gearing (times)	-3.24	-2.98	NA
Interest coverage (times)	-1677.31	-2084.46	NA

A: Audited; Prov: Provisional; NA: Not Available

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

**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:** Annexure -3

**Complexity level of various instruments rated for this Company:** Annexure- 4

**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
Fund-based - LT-Proposed fund-based limits		-	-	-	30.00	CARE B-; Stable; 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	Type	Current Ratings		Rating history			
			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-Proposed fund-based limits	LT	30.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (04-Feb-21)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (14-Jan-20)

\*Issuer did not cooperate; Based on best available information

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

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

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Proposed fund-based limits	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 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:

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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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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careedge.in](http://www.careedge.in)**