

Drive India Enterprise Solutions Limited

January 31, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	165.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable / CARE A4; (Double B; Outlook: Stable / A Four)

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; Based on best available information

Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated November 23, 2021, placed the rating(s) of Drive India Enterprise Solutions Limited (DIESL) under the 'issuer non-cooperating' category as DIESL 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. DIESL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated October 09, 2022, October 19, 2022, October 29, 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 DIESL have been revised on account of non-availability of requisite information. The ratings further consider decline in operating income, overall profitability, capital structure and debt coverage indicators during FY22 over FY21.

Detailed description of the key rating drivers

Please refer to PR dated [November 23, 2021](#)

Analytical approach: Standalone; Earlier CARE had considered Standalone approach and factoring in operational linkages with its parent company TVS Supply Chain Solutions Limited. However due to non-availability of requisite information the approach has been revised to standalone.

Applicable criteria

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

[Policy on default recognition](#)

[Rating Outlook and Credit Watch](#)

About the Company

Incorporated in the year 2000, Drive India Enterprise Solutions Limited (DIESL) is a wholly-owned subsidiary of TVS Supply Chain Solutions Limited. DIESL is engaged in Sourcing & Distribution Services (SDS) including Trading, Large Format Retail (LFR), Online Sales and Channel Development, to its customers from a various sector including telecom, consumer durable, FMCG, apparels, and others. DIESL was earlier part of TATA group of companies mainly engaged in the trading of telecom products for TATA Tele Services Limited (Trading division). During the year 2006, DIESL ventured into the 3rd party logistics services (3PL division) business and begun providing transportation services, logistics services & freight forwarding services. During September 2015, TVSSCS acquired DIESL by buying the entire shareholding of DIESL from TATA group. TVSSCS in line with their strategy to expand business operations in India through inorganic route decided to demerge 3PL division from DIESL and merge it with TVSSCS. Presently, DIESL is engaged in trading only.

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

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	9MFY23 (Prov.)
Total operating income	4.28	0.88	NA
PBILDT	-2.41	-4.73	NA
PAT	0.06	0.00	NA
Overall gearing (times)	NM	NM	NA
Interest coverage (times)	NM	NM	NA

A: Audited; Prov.: Provisional; NA: Not Available; NM: Not Meaningful

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

Complexity level of the various 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 along with Rating Outlook
Fund-based - LT/ ST-Working Capital Demand loan		-	-	-	75.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Letter of credit		-	-	-	90.00	CARE BB-; Stable / CARE A4; 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 (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT/ ST-Working Capital Demand loan	LT/ST ^	75.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING	-	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING	1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING	-

				G*		G* (23-Nov-21)	G* (05-Nov-20) 2)CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATIN G* (06-May-20)	
2	Non-fund-based - LT/ ST-Letter of credit	LT/ST ^	90.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATIN G*	-	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATIN G* (23-Nov-21)	1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATIN G* (05-Nov-20) 2)CARE BBB-; Stable / CARE A3; ISSUER NOT COOPERATIN G* (06-May-20)	-

**Issuer did not cooperate; Based on best available information; ^LT/ST: Long term/Short term*

Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Demand loan	Simple
2	Non-fund-based - LT/ ST-Letter of credit	Simple

Annexure-5: Lender details

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

Note on complexity levels of the rated instrument: CARE Ratings 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.

Contact us**Media Contact**

Mr. Mradul Mishra

Contact No.: +91-22-6837 4424

E-mail: mradul.mishra@careedge.in

Analyst Contact

Ms. Shachee Vyas

Contact No.: +91-79-4026 5665

E-mail: shachee.tripathi@careedge.in

Relationship Contact

Name: Pradeep Kumar V

Phone: +91-98407 54521

E-mail: pradeep.kumar@careedge.in

About us:

Established in 1993, CARE 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 RBI. With an equitable position in the Indian capital market, CARE 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, CARE 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. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For detailed Rationale Report and subscription information,
please visit www.careedge.in**