

DCM Shriram Industries Ltd

September 13, 2019

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
CP Issue	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating assigned to the CP Issue of DCM Shriram Industries Ltd (DSIL) with immediate effect. The above action has been taken at the request of DCM Shriram Industries Ltd on intimation that there is no amount outstanding under the CP issue as on date.

Analytical approach: Not applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

DSIL is a part of the Dr Bansi Dhar group, formed after the restructuring of the DCM group in 1990. DSIL is currently engaged in the manufacturing of sugar, alcohol, fine/organic chemicals and industrial rayon. It has two integrated manufacturing plants, Daurala Sugar Complex and Daurala Organics in Daurala, Meerut (U.P.) with a daily throughput of 12,500 tonnes crushed per day (TCD), a distillery with a capacity of 45,000 KL per annum, co-generation power plant with the capacity of 70 MW and organic/ fine chemicals plant with total installed capacity of 18,118 tonnes per annum as on March 31, 2019. . The company has another manufacturing unit, 'Shriram Rayons' at Kota for the manufacturing and export of rayon tyre cord, yarn and fabric to tyre manufacturers. It has a total installed capacity for industrial fibres of 17055 tonnes per year which includes yarn production capacity, grey fabric and dipped fabric capacity. Recently, DSIL has also ventured into defence equipment manufacturing to explore the opportunities following the Government of India's 'Make in India' initiative and opening up of defence production to private sector. This segment however is at a very nascent stage.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	1746.43	1703.59
PBILDT	114.33	131.59
PAT	119.27	72.77
Overall gearing (times)	1.10	1.05
Interest coverage (times)	4.06	5.48

A: Audited

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
Commercial Paper- Commercial Paper (Carved out)	-	-	-	0.00	Withdrawn

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	267.89		-	1)CARE A+; Stable (20-Aug-18)	1)CARE A+; Stable (29-Sep-17)	1)CARE A-; Stable (08-Mar-17) 2)CARE BBB+ (07-Oct-16)
2.	Fund-based - LT-Cash Credit	LT	445.01		-	1)CARE A+; Stable (20-Aug-18)	1)CARE A+; Stable (29-Sep-17)	1)CARE A-; Stable (08-Mar-17) 2)CARE BBB+ (07-Oct-16)
3.	Non-fund-based-Short Term	ST	92.85		-	1)CARE A1+ (20-Aug-18)	1)CARE A1+ (29-Sep-17)	1)CARE A2 (08-Mar-17) 2)CARE A3 (07-Oct-16)
4.	Fixed Deposit	LT	15.00		-	1)CARE A+ (FD); Stable (20-Aug-18)	1)CARE A+ (FD); Stable (29-Sep-17)	1)CARE A- (FD); Stable (08-Mar-17) 2)CARE BBB+ (FD) (07-Oct-16)
5.	Commercial Paper- Commercial Paper (Carved out)	ST	-	-	-	1)CARE A1+ (20-Aug-18)	1)CARE A1+ (15-Feb-18)	-

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.

Contact us

Media Contact

Mradul Mishra
Contact no. – +91-22-6837 4424
Email ID – mradul.mishra@careratings.com

Analyst Contact

Name: Ms Ravleen Sethi
Tel: 011- 45333278
Email: ravleen.sethi@careratings.com

Business Development Contact

Name: Swati Agrawal
Contact no. : +91-11-4533 3200
Email ID: swati.agrawal@careratings.com

About CARE Ratings:

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Disclaimer

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In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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