

September 27, 2022

Digi Drives Private Limited: Moved to Non-Cooperating Category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Cash Credit	18.00	18.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING *; Rating Moved to the 'Issuer Not Cooperating' Category.
Long Term – Interchangeable	(7.00)	(7.00)	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING *; Rating Moved to the 'Issuer Not Cooperating' Category.
Long Term – Fund Based – Term Loan	4.50	4.50	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING *; Rating Moved to the 'Issuer Not Cooperating' Category.
Short Term – Non-Fund Based - Others	12.50	12.50	[ICRA]A4+ ISSUER NOT COOPERATING *; Rating Moved to the 'Issuer Not Cooperating' Category.
Total	35.00	35.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has moved the ratings for the bank facilities of **Digi Drives Private Limited** in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+ (Stable) / [ICRA]A4 ISSUER NOT COOPERATING"

As part of its process and in accordance with its rating agreement with **Digi Drives Private Limited**, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

There was a missed payment on term loan in the past six months but solely because of technical reasons and oversight at the banker's end (as confirmed by the banker).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity Policy on default recognition
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on standalone financial statements of the issuer.

About the company

DDPL was incorporated as a private limited company in 1993 promoted by Mr. Samir Bansal and Mr. Navneet Gill. The company specialises in customised mechanical and electrical installation work. Its work profile involves designing, planning, engineering, customising, manufacturing/assembling and installing flat steel processing machines like cold rolling mills, pickling lines, acid regeneration plants, colour coating lines, slitting/cut-to-length and tension levelling lines, tube mills, etc. In addition, the company is involved in manufacturing of electrical equipment and process automation systems across industries like metal, power plants, paper and pulp, sugar, cables and wires, among others. It has delivered and installed plants and automation systems to renowned customers across industries.

In FY2022, DDPL reported a net profit of Rs. 4.82 crore on an OI of Rs. 157.41 crore compared to a net profit of Rs. 1.30 crore on an OI of 90.74 crore in FY2021.

Key financial indicators (audited)

DDPL	FY2021	FY2022
Operating Income (Rs. crore)	90.74	157.41
PAT (Rs. crore)	1.30	4.82
OPBDIT/OI (%)	5.48%	7.62%
PAT/OI (%)	1.44%	3.06%
Total Outside Liabilities/Tangible Net Worth (times)	4.76	4.07
Total Debt/OPBDIT (times)	6.99	2.46
Interest Coverage (times)	1.34	3.83

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

Status of non-cooperation with previous CRA:

Ratings migrated to 'CRISIL B/Stable/CRISIL A4 Issuer not cooperating' as on November 23, 2021 based on the best available information.

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2023)			Chronology of rating history for the past 3 years		
		Amount rated (Rs. crore)	Amount outstanding	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021	Date & rating in FY2020
				Sep 27, 2022	Jun 30, 2021	Mar 30, 2021	Dec 23, 2019
1 Fund Based Limits – Cash Credit	Long Term	18.00	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)
2 PC/PCFC FB D*	Long Term	(7.00)	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)	-	-
3 Fund Based – Term Loan	Long Term	4.50	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)	-	-
4 LC/BG	Short Term	12.50	-	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
5 Unallocated Limits	Short Term	-	-	-	-	[ICRA]A4+	[ICRA]A4+
6 Commercial Paper	Short Term	-	-	-	-	[ICRA]A4+; Withdrawn	[ICRA]A4+

*Sublimit of Cash Credit

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund Based – Cash Credit	Simple
Fund based – Interchangeable Limits	Simple
Fund based – Term Loan	Simple
Non-Fund Based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	18.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Interchangeable Limits*	NA	NA	NA	(7.00)	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Term Loan – I	FY2021	7.40%	FY2023	1.50	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Term Loan – II	FY2021	7.40%	FY2026	3.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	LC/BG	NA	NA	NA	12.50	[ICRA]A4+; ISSUER NOT COOPERATING

*Sublimit of cash credit

Source: Company

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Branches



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