May 07, 2021

Dolf Industries: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based- Cash Credit	5.25	5.25	[ICRA]BB (Stable); Withdrawn
Fund based- Term Loan	0.78	0.78	[ICRA]BB (Stable); Withdrawn
Fund based- EPC/PCFC/EBD/EBP	(2.97)#	(2.97)#	[ICRA]A4+; Withdrawn
Non-fund based – Bank Guarantee	4.50	4.50	[ICRA]A4+; Withdrawn
Non-fund based – Letter of Credit	1.00	1.00	[ICRA]A4+; Withdrawn
Fund based – Bill Discounting	(0.50)^	(0.50)^	[ICRA]A4+; Withdrawn
Unallocated Limits	2.56	2.56	[ICRA]BB (Stable)/A4+; Withdrawn
Total	**14.09**	**14.09**	

Sublimit of Cash Credit facility ^ Sublimit of Bank Guarantee
*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Dolf Industries (DI) at the request of the company and based on the No Objection Certificate received from the banker. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities, have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: **Click here.**

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	Standalone

About the company

Established in 1983 as a proprietorship entity by Mr. K. M. Rajan, Dolf Industries (DI) manufactures chemical plant equipment and allied equipment mainly from fibreglass reinforced plastic (FRP). Its plants are in Makarpura GIDC, Por GIDC and Kandari (all plants are situated near Vadodara in Gujarat). Mr. K. M. Rajan, the key promoter, has more than four decades of experience in manufacturing engineering goods for chemical and various industries.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Key Financial Indicators:

BIPPL Standalone	FY2019	9MFY2020*
Operating Income (Rs. crore)	32.54	19.98
PAT (Rs. crore)	1.74	1.90
OPBDIT/OI (%)	11.14%	16.24%
RoCE (%)	18.63%	16.52%
Total Outside Liabilities/Tangible Net Worth (times)	1.83	1.34
Total Debt/OPBDIT (times)	3.16	2.38
Interest Coverage (times)	3.17	4.14
DSCR (times)	1.54	1.89

Source: *Company, *Provisional*

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs.Crore)	Amount Outstanding (Rs.Crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020		Date & Rating in FY2019
					7-May-21	-	11-Mar-20	20-Jun-19	24-May-18
1	Cash Credit	Long Term	5.25	-	[ICRA]BB (Stable); Withdrawn	-	[ICRA]BB (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)
2	Term Loan	Long Term	0.78	-	[ICRA]BB (Stable); Withdrawn	-	[ICRA]BB (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)
3	PCFC/EBD/EBP	Long Term	(2.97)#	-	[ICRA]A4+; Withdrawn	-	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
4	Bank guarantee	Short Term	4.50	-	[ICRA]A4+; Withdrawn	-	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
5	Letter of Credit	Short Term	1.00	-	[ICRA]A4+; Withdrawn	-	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
6	Bill Discounting	Short Term	(0.50)^	-	[ICRA]A4+; Withdrawn	-	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
7	Unallocated Limits	Long Term/Short Term	2.56	-	[ICRA]BB (Stable)/A4+; Withdrawn	-	[ICRA]BB (Stable)/A4+	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term - Fund Based- Cash Credit	Simple
Long Term - Fund Based- Term Loan	Simple
Short Term - Non Fund Based	Very Simple
Short Term - Interchangeable	Very Simple
Long Term / Short Term - Unallocated	-

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 analyzing 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, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	5.25	[ICRA]BB (Stable); Withdrawn
NA	Term Loan	NA	NA	NA	0.78	[ICRA]BB (Stable); Withdrawn
NA	PCFC/EBD/EBP	NA	NA	NA	(2.97)#	[ICRA]A4+; Withdrawn
NA	Bank guarantee	NA	NA	NA	4.50	[ICRA]A4+; Withdrawn
NA	Letter of Credit	NA	NA	NA	1.00	[ICRA]A4+; Withdrawn
NA	Bill Discounting	NA	NA	NA	(0.50)^	[ICRA]A4+; Withdrawn
NA	Unallocated Limits	NA	NA	NA	2.56	[ICRA]BB (Stable)/A4+; Withdrawn

Source: *Dolf Industries*

Annexure-2: 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.

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