

April 27, 2023

DNH Projects Limited: Continues to remain under issuer 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 | 12.00 | 12.00 | [ICRA]C; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Short Term-Non-Fund Based | 6.00 | 6.00 | [ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Long Term / Short Term-Unallocated | 10.00 | 10.00 | [ICRA]C/[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Total | 28.00 | 28.00 | |

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has retained the long-term and short-term ratings of DNH Projects Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as [ICRA]C/[ICRA]A4; ISSUER NOT COOPERATING"

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

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.

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable Rating Methodologies | Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity |
| Parent/Group Support | Not Applicable |
| Consolidation/Standalone | Standalone |

About the company

DNHPL was initially incorporated as a private limited company— Nagar Haveli Real Estate Private Limited in 1996. It was subsequently renamed and converted to a closely held public limited company in 2009. Its operations are collectively managed by Mr. Vijay Desai and Mr. Ajay Desai who have an experience of over two decades in the construction industry. The company is registered as a contractor with the roads and buildings division of the Government of Gujarat and undertakes the

construction of industrial units, factories, corporate and institutional buildings.

Key Financial Indicator:

| Name of the company | FY2021` | FY2022 |
|------------------------------|---------|--------|
| Operating income (Rs. crore) | 12.3 | 10.0 |
| PAT (Rs. crore) | 5.3 | 7.0 |
| OPBDITA/ OI (%) | 100.1% | 129.6% |
| RoCE (%) | 122.9% | 124.3% |
| Total Debt/ TNW (times) | 0.1 | 0.1 |
| Total Debt/ OPBDITA (times) | 0.1 | 0.1 |
| Interest coverage (times) | 1.0 | 1.2 |
| NWC/ OI (%) | 8.1% | -2.3% |

Source: Company

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

| | Instrument | Current Rating (FY2024) | | | Chronology of Rating History for the past 3 years | | | |
|---|-----------------------|-------------------------|--------------------------|--------------------------------|---|---|---|---|
| | | Type | Amount Rated (Rs. Crore) | Amount Outstanding (Rs. Crore) | Date & Rating in | Date & Rating in FY2022 | Date & Rating in FY2021 | Date & Rating in FY2020 |
| | | | | | Apr 27, 2023 | Feb 23, 2022 | Jan 22, 2021 | Jul 25, 2019 |
| 1 | Cash Credit | Long Term | 12.00 | - | [ICRA]C; ISSUER NOT COOPERATING | [ICRA]C; ISSUER NOT COOPERATING | [ICRA]C; ISSUER NOT COOPERATING | [ICRA]C; ISSUER NOT COOPERATING |
| 2 | Non-Fund Based limits | Short-Term | 6.00 | - | [ICRA]A4; ISSUER NOT COOPERATING | [ICRA]A4; ISSUER NOT COOPERATING | [ICRA]A4; ISSUER NOT COOPERATING | [ICRA]A4; ISSUER NOT COOPERATING |
| 3 | Unallocated limits | Long-Term/Short Term | 10.00 | - | [ICRA]C/[ICRA]A4 ; ISSUER NOT COOPERATING | [ICRA]C/[ICRA]A4 ; ISSUER NOT COOPERATING | [ICRA]C/[ICRA]A4 ; ISSUER NOT COOPERATING | [ICRA]C/[ICRA]A4 ; ISSUER NOT COOPERATING |

Complexity level of the rated instrument

| Instrument | Complexity Indicator |
|----------------|----------------------|
| Cash Credit | Simple |
| Non-Fund Based | Very Simple |
| Unallocated | Not Applicable |

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, is available on ICRA's website: [Click Here](#)

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 | Long Term-Fund Based-Cash Credit | NA | NA | NA | 12.00 | [ICRA]C; ISSUER NOT COOPERATING |
| NA | Short Term-Non-Fund Based | NA | NA | NA | 6.00 | [ICRA]A4; ISSUER NOT COOPERATING |
| NA | Long Term / Short Term-Unallocated | NA | NA | NA | 10.00 | [ICRA]C/[ICRA]A4; ISSUER NOT COOPERATING |

Source: DNH Projects Limited

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.

For more information, visit www.icra.in

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