



SMERA RATINGS LIMITED

# Diamond Engineering (Chennai) Private Limited (DECPL)

*Rating  
Rationale*

**March 23, 2016**

Facilities	Amount (Rs. Crore)	Rating
Cash Credit – I	40.79*	SMERA D (Assigned)
Cash Credit - II	4.94#	SMERA D (Assigned)
Working Capital Demand Loan – I	126.44	SMERA D (Assigned)
Working Capital Demand Loan – II	15.06	SMERA D (Assigned)
Funded Interest Term Loan - I	15.17	SMERA D (Assigned)
Funded Interest Term Loan – II	3.74	SMERA D (Assigned)
Priority Debt Term Loan	15.00	SMERA D (Assigned)
Term Loan - I	9.45	SMERA D (Assigned)
Term Loan – II	9.35	SMERA D (Assigned)
Bills Discounting	35.00	SMERA D (Assigned)
Bank Guarantee/Letter of Credit	15.00!	SMERA D (Assigned)

*\*Includes sublimit of Bank Guarantee to the extent of Rs.0.80 crore*

*#Fully interchangeable to Export Packing Credit and Foreign Bill Discounting*

*! Interchangeable to Letter of Credit (100%) and LER as sublimit up to Rs.7.00 crore*

SMERA has assigned rating of **SMERA D (read as SMERA D)** to the Rs.289.94 crore bank facilities of Diamond Engineering (Chennai) Private Limited (DECPL). The rating reflects delays in servicing of debt obligations. The rating also factors in the stretched liquidity position amidst working capital intense nature of operations and incurrence of losses in FY 2014-15.

## Rating Sensitivity Factors

- Curing of default

## About the Company

Erstwhile Diamond Engineering (partnership firm), taken over by the current management (Mr. P. Mohanraj and Mr. P. Danaraj) in 1987 was incorporated into private limited in 1997 with its current name, DECPL. The company is engaged in fabrication of steel components and structures at customized, based on the customer requirements.

The company is headed by Mr. P. Mohanraj, the Managing Director, who possesses experience of over four decades in the fabrication business.

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For FY2014-15, DECPL reported net loss of Rs.115.98 crore on operating revenue of Rs.197.16 crore as against net loss of Rs.46.92 crore on operating revenue of Rs.270.82 crore in FY2013-14.

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