

**No. CARE/JRO/GEN/2020-21/1044**

**Shri Digvijay Dhabriya**  
**Managing Director**  
**Dhabriya Polywood Limited**  
B-9 D-1,  
Malviya Industrial Area  
Jaipur  
Rajasthan 302017

April 01, 2021

**Confidential**

Dear Sir,

**Credit rating for bank facilities of Rs.29.96 crore**

Please refer to our letter (CARE/JRO/RL/2020-21/1690) dated March 30, 2021 on the above subject.

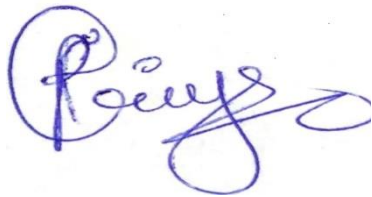
2. The Press Release for the ratings is attached as an **Annexure-I**.
3. We request you to peruse the annexed document and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you at earliest, we will proceed on the basis that you have no comments to offer.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

**CARE Ratings Ltd.**



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**CARE Ratings Ltd.**

## Annexure 1 Press Release

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating	Rating Action
Long Term Bank Facilities	29.96 (Reduced from 32.57)	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	Reaffirmed
<b>Total Bank Facilities</b>	<b>29.96</b> <b>(Rs. Twenty-Nine</b> <b>Crore and Ninety-</b> <b>Six Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

The rating assigned to the bank facilities of Dhabriya Polywood Limited (DPL) continues to derive strength from experienced management with its long track record of operations, its established customer base with wider product offerings and its moderate order book. The rating, further, continues to derive strength from moderate profitability margins, moderate solvency and adequate liquidity.

These strengths, however, continue to offset to an extent on account of its modest scale of operations in a highly fragmented and competitive industry, exposure to real estate sector, vulnerability of margins to fluctuation in raw material prices and foreign exchange rate and project implementation risk.

### Rating Sensitivities

*Positive Factors - Factors that could lead to positive rating action/upgrade:*

- Sustained increase in scale of operations of the company
- Sustained improvement in profitability margins with PBILDT margin of more than 15%
- Sustained improvement in capital structure with overall gearing less than 0.50 times
- Sustained improvement in liquidity with operating cycle less than 100 days

*Negative Factors- Factors that could lead to negative rating action/downgrade:*

- Any debt-funded project undertaken by the company which results in deterioration in capital structure beyond 1 time
- Decrease in TOI to less than Rs 100 Crore owing to subdued demand from real estate sector

**CARE Ratings Ltd.**