

Press Release

DTC SECURITIES LIMITED

August 17, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	St
Bank Loan Ratings	30.00	ACUITE BB+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-



Rating Rationale

Acuite has reaffirmed the long term rating of 'ACUITE BB+' (read as ACUITE double B Plus) on the Rs. 30.00 crore bank facilities of DTC Securities Limited (DTCS). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Incorporated in 1995, DTC Securities Limited (DTCS) is engaged in carrying out the business of development and construction of residential and commercial projects. Currently, the group is headed by Mr. Satyanarayan Jalan, Mr. Dinesh Jalan, Mr Ayush Jalan and Mrs. Poonam Jalan. The company has constructed and developed a shopping mall "Orchid Mall" in Kolkata which started commercial operation in 2007. The mall has a total built up area of 1 lakh square feet. The mall is fully occupied with reputed tenants namely, Pantaloons, E-Zone and Food Bazaar. Presently, Pantaloons Retail Limited (now Aditya Birla Fashion and Retail Limited (ABFRL)), who has occupied 3 stores of the mall, is the only customer of DTCS.

About the Group

Incorporated in 1995, DTC Projects Private Limited (DTCP) is engaged in carrying out the business of development and construction of residential and commercial projects. Currently, the company is headed by Mr. Ayush Jalan, Mr. Dinesh Jalan, Mr Ayush Jalan and Mrs. Poonam Jalan. The company is constructing and developing an integrated township project "DTC Southern Heights" in Kolkata. The total project area is around 1.5 million square feet which is divided into three phases of around 0.5 million square feet each. DTC Securities Limited (DTCS) and DTC Projects Private Limited (DTCP) together referred to as the 'DTC Group' (DG).

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI

regulations and Acuité's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based

Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	179.38	127.64
PAT	Rs. Cr.	36.44	20.97
PAT Margin	(%)	20.31	16.43
Total Debt/Tangible Net Worth	Times	0.14	0.58
PBDIT/Interest	Times	26.80	8.05

Status of non-cooperation with previous CRA

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 May 2022	Lease Rental Discounting	Long Term	30.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
19 Mar 2021	Lease Rental Discounting	Long Term	30.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Lease Rental Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	ACUITE BB+ Reaffirmed Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Suman Paul Analyst-Rating Operations Tel: 022-49294065 suman.paul@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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