

Press Release

DTL Ancillaries Limited

January 14, 2020



Rating Update

Total Bank Facilities Rated*	Rs.74.00 Cr.#
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has downgraded the long-term rating of DTL Ancillaries Limited to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**'(read as **ACUITE triple B minus**) and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**'(read as **ACUITE A three**). This rating is now an indicative rating and is downgraded on account of information risk.

DTL Ancillaries Limited (DTLA) is a Pune-based company incorporated in 1996 by Mr. Vijay Mohan Jain. Mr. Jain is ably supported by his son, Mr. Sidharth Jain in his capacity as a Joint Managing Director. DTLA is engaged in manufacturing of Cold Roll Formed (CRF) components for Automobile industry, Indian Railways (IR) and Metro Railways. DTLA manufactures CRF components and fabricates side walls and roofs for wagons/coaches for Indian Railways which accounts for almost 90 percent of the company's revenues. DTLA also supplies load bodies and panels for commercial vehicles to Piaggio Vehicles which accounts to the rest of the 10 percent of the revenues. The company has five manufacturing units, four at Pune and one at Kolkata.

Non-cooperation by the issuer/borrower:

Acuité 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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Acuité 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

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.

About the Rated Entity- Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

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.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
10-Jul-2019	Cash Credit	Long Term	35.00	ACUITE BBB- Issuer not co-operating*
	Letter of credit	Short Term	29.00	ACUITE A3 Issuer not co-operating*
	Bank Guarantee/ Letter of Guarantee	Short Term	10.00	ACUITE A3 Issuer not co-operating*
09-May-2018	Cash Credit	Long Term	35.00	ACUITE BBB-/Stable (Suspension Revoked, Rating Assigned)
	Letter of credit	Short Term	29.00	ACUITE A3 (Suspension Revoked, Rating Assigned)
	Bank Guarantee/ Letter of Guarantee	Short Term	10.00	ACUITE A3 (Suspension Revoked, Rating Assigned)
09-Jul-2015	Cash Credit	Long Term	30.00	ACUITE D (Suspended)
	Standby Line of Credit	Long Term	0.50	ACUITE D (Suspended)
	Letter of Credit	Short Term	32.00	ACUITE D (Suspended)
	Letter of Credit	Short Term	5.65	ACUITE D (Suspended)
	Bank Guarantee	Short Term	6.00	ACUITE D (Suspended)
	Term Loan	Long Term	10.45	ACUITE D (Suspended)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Letter of credit	Not Applicable	Not Applicable	Not Applicable	29.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Bank Guarantee/ Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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