



Press Release
DTL Ancillaries Limited
August 28, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	40.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	54.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	94.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and also downgraded short term rating to **ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.94.00 crore bank facilities of DTL Ancillaries Limited.

The rating is now flagged as "Issuer NotCooperating" and is based on the best available information.

The rating has been downgraded on account of information risk.

About the Company

DTL is a Pune based company incorporated in the year 1996 by Mr. Vijay Mohan Jain, first generation entrepreneur having more than four decades of experience. Mr. Jain is ably supported by his son Mr. Sidharth Jain, in his capacity as a Joint Managing Director. Mr. Darshan Jindal & Mr. Shashank Ramesh Anikhindi both are also director of this company. Mr. Sidharth Jain has been instrumental in scaling up the business operations. DTL is engaged in manufacturing of Cold Roll Formed (CRF) components for Automobile industry, Indian Railways and Metro Railways. DTL manufactures CRF components and fabricates side walls and roofs for wagons/coaches for Indian Railways which accounts for almost 95% of the company's revenues. DTL also supplies load bodies and panels for commercial vehicles to Piaggio vehicles which accounts to 5% of the revenues.

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 noncooperation 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 Acuite'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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

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

All Covenants

None

Liquidity Position

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

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	189.49	128.86
PAT	Rs. Cr.	0.33	(9.62)
PAT Margin	(%)	0.17	(7.47)
Total Debt/Tangible Net Worth	Times	0.79	0.98
PBDIT/Interest	Times	1.71	0.74

Status of non-cooperation with previous CRA

None

Any other information

Acuite is yet to receive the latest No Default Statement from the rated entity despite repeated requests and followups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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. Acuite' 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
08 Jun 2022	Bank Guarantee	Short Term	20.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	15.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	35.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Letter of Credit	Short Term	19.00	ACUITE A3 (Reaffirmed)
23 May 2022	Letter of Credit	Short Term	19.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	35.00	ACUITE BBB- Stable (Upgraded from ACUITE BB)
	Bank Guarantee	Short Term	20.00	ACUITE A3 (Upgraded from ACUITE A4+)
15 Apr 2021	Bank Guarantee	Short Term	10.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	29.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	35.00	ACUITE BB (Downgraded and Issuer not co-operating*)
14 Jan 2020	Cash Credit	Long Term	35.00	ACUITE BB+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	10.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	29.00	ACUITE A4+ (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Yes Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	ACUITE A4+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE A4+ Downgraded Issuer not co-operating*
Yes Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	35.00	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	19.00	ACUITE A4+ Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@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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