

March 11, 2020

Dynatomic Technologies Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based- Term Loans	369.00	369.00	[ICRA]BBB+ (Stable); Withdrawn
Proposed Limits	0.01	0.01	[ICRA]BBB+ (Stable); Withdrawn
Fund-based Limits	145.00	145.00	[ICRA]BBB+ (Stable); Withdrawn
Non-fund based limits – Sub limit	(50.00)	(50.00)	[ICRA]A2; Withdrawn
Non-fund based limits	23.00	23.00	[ICRA]A2; Withdrawn
Total	537.01	537.01	

*Instrument details are provided in Annexure-1

Rationale

The ratings assigned to Dynatomic Technologies Limited (DTL) have been withdrawn at the request of the company, based on the no-objection certificate provided by its bankers. ICRA does not have requisite information to suggest that the credit risk has changed since the time the rating was last reviewed.

Link to the last Press Release published on ICRA website:

<https://www.icra.in/Rationale/ShowRationaleReport/?Id=76076>

About the company

Incorporated in 1973, initially as Dynatomic Hydraulics Limited, DTL is primarily engaged in manufacturing of precision components for agriculture, automobile, construction; aerospace and defense sectors. DTL manufactures hydraulic equipment (primarily hydraulic gear pumps), fluid systems and specialized engineering products mainly catering to agriculture and construction equipment sectors. The company is also engaged in the manufacturing of critical engine and transmission components in automotive space and has an integrated aerospace facility with capabilities to manufacture CNC components, sheet metal components, soft tooling, hard tooling and jig manufacturing etc. Besides these major divisions, the company has a ferrous foundry which produces castings for in-house consumption by the other divisions and also supplies castings to external customers. The company had recently divested part of its automotive business in India to Hi-Tech Arai Private Limited. The company also owns a 12MW wind farm in Coimbatore, Tamil Nadu which is expected to be liquidated over the near term.

Over the years, DTL has adopted an inorganic route for achieving scale / competence under each of its divisions. In June 2007, the company acquired the Swindon unit (the Hydraulic division) of Sauer Danfoss Ltd. U.K, which caters to off-highway and special purpose on-highway mobile equipment markets supplying gear pumps, gear motors and associated products. This unit caters to the European and US markets. Similarly, in 2008-09, DTL acquired UK based aerospace components manufacturing company – Oldland CNC Limited – which was subsequently merged with the

Company's hydraulics division. The latest among DTL's acquisitions has been the Germany based Eisenwerk Erla GmbH during FY2012 (foundry).

Key financial indicators (audited)

	FY2018	FY2019
Operating Income (Rs. crore)	1,321.1	1,500.3
PAT (Rs. crore)	0.7	27.5
OPBDIT/OI (%)	11.2%	12.0%
RoCE (%)	8.8%	12.8%
Total Outside Liabilities/Tangible Net Worth (times)	3.5	3.3
Total Debt/OPBDIT (times)	4.8	3.7
Interest Coverage (times)	1.9	2.2
DSCR	1.1	1.2

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years				
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018		FY2017	
					11-Mar-2020	26-Dec-2018	5-Mar-2018	14-Jun-2017	28-Oct-2016	08-Sep-2016
1	Fund Based-Term Loans	Long-Term	369.00	NA	[ICRA]BBB+ (Stable) Withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Stable)
2	Proposed Limits	Long-Term	0.01	NA	[ICRA]BBB+ (Stable) Withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Stable)
3	Fund-based Limits	Long-Term	145.00	NA	[ICRA]BBB+ (Stable) Withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Positive)	[ICRA]BBB+ (Stable)
4	Non-fund based limits – Sub limit	Short-Term	(50.00)	NA	[ICRA]A2 Withdrawn	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2
5	Non-fund based limits	Short-Term	23.00	NA	[ICRA]A2 Withdrawn	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2	[ICRA]A2

Amount in Rs. Crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](http://www.icra.in)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund Based- Term Loans	NA	NA	NA	369.00	[ICRA]BBB+ (Stable) Withdrawn
NA	Proposed Limits	NA	NA	NA	0.01	[ICRA]BBB+ (Stable) Withdrawn
NA	Fund-based Limits	NA	NA	NA	145.00	[ICRA]BBB+ (Stable) Withdrawn
NA	Non-fund based limits – Sub limit	NA	NA	NA	(50.00)	[ICRA]A2 Withdrawn
NA	Non-fund based limits	NA	NA	NA	23.00	[ICRA]A2 Withdrawn

Source: the company

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