

August 30, 2023

Dixon Technologies (India) Limited: Ratings Withdrawn for commercial paper

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper	175.00	0.00	[ICRA]A1+; Withdrawn
Long Term – Fundbased – Term loan	75.00	75.00	[ICRA]AA- (Stable); Outstanding
Short Term – Fund based – Working capital facilities	710.00	710.00	[ICRA]A1+; Outstanding
Short Term – Non-fund Based – Working capital facilities	1,785.00	1,785.00	[ICRA]A1+; Outstanding
Long Term /Short Term – Unallocated	55.00	55.00	[ICRA]AA- (Stable)/ [ICRA]A1+; Outstanding
Total	2,800.00	2,625.00	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the Commercial Paper of **Dixon Technologies (India) Limited** at the request of the company, and in accordance with ICRA's policy on withdrawal of Credit Ratings, as there is no amount outstanding against the rated instrument. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financial statements of the issuer, which includes its subsidiaries and joint ventures (refer Annexure II)

About the company

DTIL, incorporated in 1993 by Mr. Sunil Vachani, is a diversified Electronic Manufacturing Services (EMS) company with operations in the electronic products vertical such as consumer electronics, lighting, home appliance, closed-circuit television cameras (CCTVs), and mobile phones. It also undertakes reverse logistics operations. It manufactures security surveillance equipment through a joint venture (JV, AIL Dixon Technologies Private Limited). Recently, the company has entered a JV with Imagine Marketing Private Limited for designing and manufacturing wireless audio solutions in India.

DTIL has manufacturing facilities in Noida, Dehradun, and Tirupati. The company and its subsidiaries/JVs have received approvals under the production-linked incentive (PLI) scheme for five segments - mobile phones, lightning, telecom and networking products, inverter controller boards for air conditioners and IT hardware.

Key financial indicators (audited)

DTIL	FY2022	FY2023
Operating Income (Rs. crore)	10,697.1	12,192.0
PAT (Rs. crore)	190.4	253.5
OPBDIT/OI (%)	3.6%	4.2%
PAT/OI (%)	1.8%	2.1%
Total Outside Liabilities/Tangible Net Worth (times)	3.6	2.6
Total Debt/OPBDIT (times)	1.9	0.4
Interest Coverage (times)	7.8	8.5

Source: Company data, ICRA Research; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; Amount in Rs crore Source: Company data, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

SN	Instrument	Type	Current Rating (FY2024)				Chronology of Rating History for the past 3 years						
			Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2023 (Rs. crore)	Date & Rating in		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021				
					Aug 30, 2023	Apr 06, 2023			Mar 31, 2021	Mar 17, 2021	Nov 25, 2020	Sep 28, 2020	May 01, 2020
1	Commercial Paper	Short Term	-	-	[ICRA]A1+; withdrawn	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
2	Fund-based - Term loan	Long Term	75.00	72.02	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)	[ICRA]A+ (Positive)	[ICRA]A+ (Stable)
3	Fund-based - Working capital facilities	Short Term	710.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
4	Non-fund based - Working capital facilities	Short Term	1,785.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
5	Unallocated bank facilities	Long term/ Short Term	55.00	-	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]AA- (Stable)/ [ICRA]A1+	-	-	-	-	-	-	-
6	Unallocated bank facilities	Short Term	-	-	-	-	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper	Very Simple
Fund-based – Term loan	Simple
Fund-based – Working capital facilities	Simple
Non-fund based – Working capital facilities	Very Simple
Unallocated bank facilities	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial,

business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Unplaced*	Commercial paper*	NA	NA	NA	175.00	[ICRA]A1+; Withdrawn
NA	Fund-based – Working capital facilities	NA	NA	NA	710.00	[ICRA]A1+
NA	Non-fund based – Working capital facilities	NA	NA	NA	1,785.00	[ICRA]A1+
NA	Fund Based – Term Loan	FY2021	NA	FY2029	75.00	[ICRA]AA- (Stable)
NA	Unallocated bank facilities	NA	NA	NA	55.00	[ICRA]AA-(Stable) /[ICRA]A1+

Source: DTIL, ICRA Research; *No CP was outstanding as on August 25, 2023

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
Dixon Global Private Limited	100%	Full Consolidation
Padget Electronics Private Limited	100%	Full Consolidation
Dixon Electro Manufacturing Private Limited	100%	Full Consolidation
Dixon Technologies Solutions Private Limited	100%	Full Consolidation
Dixon Electro Appliances Private Limited	51%	Full Consolidation
AIL Dixon Technologies Private Limited	50%	Proportionate Consolidation Method
Rexxam Dixon Electronics Private Limited (Formerly known as Dixon Devices Private Limited)	40%	Proportionate Consolidation Method

Source: Company, ICRA Research

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