



## Press Release

### Kisha Telelinks Private Limited

October 03, 2023

#### Ratings

Facilities	Amount (INR crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	5.11	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR Double B plus with Negative Outlook Issuer Not Cooperating)	Revised from IVR BBB-/ Stable (IVR Triple B minus with stable outlook) and moved to Issuer Not Cooperating category	Simple
Short Term Bank Facilities	19.89 (Includes proposed facility of INR 9.89 crore)	IVR A4+ ISSUER NOT COOPERATING* (IVR A four plus Issuer Not Cooperating)	Revised from IVR A3 (IVR A Three) and moved to Issuer Not Cooperating category	Simple
<b>Total</b>	<b>25.00 (INR twenty five crore only)</b>			

*\*Issuer did not cooperate; based on best available information*

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

The revision in ratings is because of lack of adequate information regarding Kisha Telelinks Private Limited (KTPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The outlook remains negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.



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### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the entity to provide the required data & NDS to monitor its assigned rating to the bank facility, vide mail communications dated June 07, 2023, July 27, 2023, August 17, 2023, September 11, 2023, September 13, 2023, September 14, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term rating of the bank loan facilities aggregating to INR 5.11 crore of KTPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long term rating will be at 'IVR BB+/ Negative ISSUER NOT COOPERATING based on best available information (IVR Double B Plus with Negative outlook Issuer Not Cooperating based on best available information) and short term rating of the bank loan facilities aggregating to INR 19.89 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the short term rating will be at IVR A4+ ISSUER NOT COOPERATING based on best available information (IVR A Four Plus Issuer Not Cooperating based on best available information).

### **Analytical Approach:** Consolidated

The financial parameters of two companies have been taken into consideration to arrive at the rating on a consolidated basis, namely KGR Enterprises Private Limited (KGR) and Kisha Telelinks Private Limited (KTL). KGR and KTL both are in the same line of business i.e. distributors of mobile handsets and other electronic devices and accessories. Both the companies are promoted by the 'Karamchandani' family, the major promoter of both the companies being Mr. Kailash Prakash Karamchandani (having 99.17% and 99.34% stake in KGR and KTL respectively) . The companies have the common management looking after the major affairs of both the entities and there are significant operational and financial linkages.



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### Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of Rating Outlook](#)

### About the Company

Kisha Telelinks Private Limited (KTPL), incorporated in 2004, is engaged in the export, distribution, and wholesaling business of mobile handsets, accessories, mobile services, and other electronic gadgets. The Company is promoted by Mr Kailash Karamchandani and his 5 family members. The promoters are engaged in the distribution and mobile services for more than 2 decades.

### Financials (Consolidated):

(INR Crore)

For the year ended* / As On	31-03-2021	31-03-2022
	(Audited)	(Provisional)
Total Operating Income	386.56	409.20
EBITDA	13.06	11.93
PAT	4.09	3.38
Total Debt	66.82	69.42
Tangible Net worth	67.77	73.43
EBITDA Margin (%)	3.38	2.92
PAT Margin (%)	1.06	0.83
Overall Gearing Ratio (x)	0.99	0.95

\*Classification as per Infomerics' standards.

### Financials (Standalone):

(INR Crore)

For the year ended* / As On	31-03-2021	31-03-2022
	(Audited)	(Provisional)
Total Operating Income	97.40	98.19
EBITDA	3.53	3.29
PAT	1.00	1.02
Total Debt	20.23	17.24
Tangible Net worth	16.80	18.22
EBITDA Margin (%)	3.62	3.35
PAT Margin (%)	1.03	1.04
Overall Gearing Ratio (x)	1.20	0.95

\*Classification as per Infomerics' standards.



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**Status of non-cooperation with previous CRA:** Acuite Ratings in its press release dated August 22, 2022, has informed that Acuite has continued the rating of KGR Enterprises Private Limited under "Issuer Not Cooperating" category on account of non-submission of information before due date.

**Any other information:** Nil

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (August 02, 2022)	Date(s) & Rating(s) assigned in 2021-22 (May 03, 2021)	Date(s) & Rating(s) assigned in 2020-21 (Feb 20, 2020)
1.	Cash Credit	Long Term	2.00	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	IVR BBB-/ Stable	IVR BB+/ Stable
2	GECL facilities	Long Term	3.11	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable	-	-
3	Packing Credit	Short Term	10.00	IVR A4+/ ISSUER NOT COOPERATING*	IVR A3	IVR A3	IVR BB+/ Stable
4	Proposed Packing Credit	Short Term	9.89	IVR A4+/ ISSUER NOT COOPERATING*	IVR A3	IVR A3	IVR BB+/ Stable
5	Letter of Credit	Short Term	-	-	-	IVR A3	IVR A4+

\* Issuer did not cooperate; based on best available information

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	2.00	IVR BB+/ Negative ISSUER NOT COOPERATING*



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GECL 1	-	-	FY 2025	1.91	IVR BB+/ Negative ISSUER NOT COOPERATING*
GECL 2	-	-	FY 2026	1.20	IVR BB+/ Negative ISSUER NOT COOPERATING*
Packing Credit	-	-	-	10.00	IVR A4+ ISSUER NOT COOPERATING*
Proposed Packing Credit	-	-	-	9.89	IVR A4+ ISSUER NOT COOPERATING*

*\*Issuer did not cooperate; based on best available information*

**Annexure 2: Facility wise lender details:** Not Applicable

**Annexure 3: List of companies considered for consolidated analysis:**

S. No.	Group Companies	Extent of Consolidation (%)
1	KGR Enterprise Private Limited	100
2	Kisha Telelinks Private Limited	100

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com)