January 23, 2024

Exicom Tele-systems Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer rating	-	-	[ICRA]BBB- (Stable); withdrawn
Long term - Fund-based limits – Cash credit	31.0	31.0	[ICRA]BBB- (Stable); withdrawn
Short term – Non-fund-based limits	54.0	54.0	[ICRA]A3; withdrawn
Long term/Short term – Unallocated	55.0	55.0	[ICRA]BBB- (Stable)/ [ICRA]A3; withdrawn
Total	**140.0**	**140.0**	

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities and issuer rating of Exicom Tele-systems Limited at the request of the company and based on the no-objection ccertificate received from the bankers, and in accordance with ICRA's policy on withdrawal. 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rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn.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	For arriving at the ratings, ICRA has considered the consolidated financials of Exicom Tele-Systems Limited. As on March 31, 2022, the company had two subsidiaries and a step-down subsidiary that are enlisted in Annexure II. They are together referred to as the Exicom Group or the Group.

About the company

ETSL was originally incorporated in 1994 as Himachal Exicom Communications Limited (a joint venture between HFCL Limited and Exicom Australia) to manufacture telecom power equipment and offer power solutions (power converters). Exicom Australia exited in 1995; in 2008, the company was renamed Exicom Tele-Systems Limited.

ETSL is involved in the business of power electronics and energy storage solutions. Its main products include power systems for telecom towers, primarily switch mode power supply (SMPS) and lithium-ion batteries. It recently ventured into the supply of EV charging units. ETSL also provides after-sales services, battery services, pre-dispatch services, R&D services and annual maintenance contracts.

Key financial indicators (audited):

ETSL Consolidated	FY2021	FY2022
Operating income (Rs. crore)	551.9	905.1
PAT (Rs. crore)	-6.5	3.6
OPBDIT/OI (%)	1.6%	5.4%
PAT/OI (%)	-1.2%	0.4%
Total outside liabilities/Tangible net worth (times)	2.0	1.6
Total debt/OPBDITA (times)	14.1	2.6
Interest coverage (times)	0.5	2.3

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

SN	Instrument	Current rating (FY2024)				Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Amount outstanding March 31, 2023 (Rs. crore)	Date & rating in	Date & rating in FY2023	Date & rating in FY2022	Date & eating in FY2021	
					Jan 23, 2024	Nov 16, 2022	Aug 6, 2021	Aug 14, 2020	Apr 20, 2020
1	Issuer rating	Long Term	-	-	[ICRA]BBB-(Stable); withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Negative)	[ICRA]BBB+(Negative)
2	Fund-based limits	Long term	31.0	-	[ICRA]BBB-(Stable); withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Negative)	[ICRA]BBB+(Negative)
3	Non-fund based limits	Short term	54.0	-	[ICRA]A3; withdrawn	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]A2
4	Unallocated limits	Long/ Short term	55.0	-	[ICRA]BBB-(Stable)/ [ICRA]A3; withdrawn	[ICRA]BBB-(Stable)/ [ICRA]A3	[ICRA]BBB-(Stable)/ [ICRA]A3	[ICRA]BBB-(Negative)/ [ICRA]A3	[ICRA]BBB+(Negative)/ [ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity Indicator
Issuer rating	Not applicable
Long term – Fund-based limits	Simple
Short term – Non-fund based limits	Very Simple
Long term/Short term – Unallocated limits	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
NA	**Issuer rating**	-	-	-	-	[ICRA]BBB- (Stable); withdrawn
NA	**Fund-based CC**	NA	NA	NA	31.0	[ICRA]BBB- (Stable); withdrawn
NA	**Non-fund-based limits**	NA	NA	NA	54.0	[ICRA]A3; withdrawn
NA	**Unallocated limits**	NA	NA	NA	55.0	[ICRA]BBB-(Stable)/ [ICRA]A3; withdrawn

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis:

Company Name	ETSL Ownership	Consolidation Approach
Exicom Tele-Systems (Singapore) Pte Ltd	100.0%	Full Consolidation
Horizon Tele-Systems SDN BHD*	100.0%	Full Consolidation
Energywin Technologies Private Limited	100.0%	Full Consolidation

*Source: Exicom Tele-systems Limited Annual report , * Step-down subsidiary*

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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