

August 07, 2020

United Telelinks (Bangalore) Limited: Rating of [ICRA]A3 ISSUER NOT COOPERATING withdrawn

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short Term – non-fund based	300.00	0.00	[ICRA]A3 ISSUER NOT
Total	300.00	0.00	COOPERATING withdrawn

Rationale

The rating of [ICRA]A3 ISSUER NOT COOPERATING assigned to the borrowing programme of United Telelinks (Bangalore) Limited (UTBL) has been withdrawn at the request of the company and based on the no objection from the lenders, in accordance with ICRA's policy on withdrawal and suspension of credit ratings.

As part of its process and in accordance with its rating agreement with UTBL, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information. There is no additional information suggesting any change in the credit profile of UTBL.

Key rating drivers and their description

Key rating drivers have not been captured as the rated instrument is being withdrawn.

Liquidity position:

Not captured as the rating is being withdrawn

Rating sensitivities

Not captured as the rating is being withdrawn

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Ratings: A Note on Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable
Consolidation/Standalone	ICRA had considered the standalone analysis of UTBL while assigning the ratings.

About the company

UTBL is engaged in the distribution of mobile phones and accessories in India under the “Karbonn” brand. The company is promoted by Mr Sudhir Hasija and the estate of Mr C Basavapurnaiah. In March 2009, UTBL launched mobile handsets under the brand name “Karbonn”, in collaboration with Delhi based Jaina Group. UTBL also undertakes distributorship of other mobile brands.

Key financial indicators

	FY2017 Audited	FY2018 Provisional
Operating Income (Rs. crore)	896.2	966.5
PAT (Rs. crore)	85.7	68.0
OPBDIT/OI (%)	11.4%	8.3%
PAT/OI (%)	9.6%	7.0%
Total Outside Liabilities/Tangible Net Worth (times)	0.4	0.2
Total Debt/OPBDIT (times)	0.0	0.0
Interest Coverage (times)	33.0	55.6

The latest key financial indicators are unavailable as the company has not shared the requisite information.

Status of non-cooperation with previous CRA:

Brickwork ratings has a rating outstanding of BWR BBB+ Issuer Not Cooperating / Stable and BWR A2+ Issuer Not Cooperating which was released on 10th October 2019.

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Current Rating	FY2020	FY2019	FY2018
					07-Aug-2020	31-Mar-2020	31-Dec-2018	22-Jan-2018
1	Non-fund based limits	Short term	300.0	NA	[ICRA]A3 ISSUER NOT COOPERATING, withdrawn	[ICRA]A3 ISSUER NOT COOPERATING ¹	[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 www.icra.in

¹ Issuer did not cooperate; based on best available information

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Letter of Credit	-	-	-	300.00	[ICRA]A3 ISSUER NOT COOPERATING, withdrawn

Source: United Telelinks (Bangalore) Limited, NA – Not Applicable

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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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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