



Caltron Info Trade Private Limited

Instrument	Amount Rated (In Rs. Crore)	Rating Action
Long term Fund Based Limits	11.50	[ICRA]BB-(Stable) re-affirmed
Short term Non-fund Based Limits	2.20	[ICRA]A4 re-affirmed

ICRA has re-affirmed the long term rating of [ICRA]BB- (pronounced ICRA double B minus) to the Rs. 11.5 crore* fund based limits of Caltron Info Trade Private Limited (CITPL)[†]. The outlook on the long term rating is 'Stable'. ICRA has also re-affirmed the short term rating of [ICRA]A4 (pronounced ICRA A four) to the Rs. 2.2 crore non-fund based limits of CITPL.

The reaffirmation of ratings takes into account CITPL's established presence in the sub-distribution and retailing of information technology (IT) hardware products and its established distribution network in Eastern India, which supports the company's turnover. However, the discontinuation of sales in Delhi, from FY14, exposes the company to significant geographical concentration risks. The ratings also take into consideration the company's large product portfolio spanning across a wide product offerings, including high value items like laptops, desktops, printers to low value items like hard disk drives, among others thus diversifying its revenue mix. The ratings continue to incorporate the highly competitive nature of the technology product sub-distribution business, marked by the presence of a large number of players and CITPL's weak financial risk profile as reflected by low profitability, high gearing and depressed debt coverage indicators. The ratings also factor in the company's low bargaining power against stronger suppliers and the high working capital intensity of operations that adversely impacts the liquidity position of the company. ICRA also takes note of the business risk profile of CITPL's group company, Calcutta Radio Services Private Limited (rated [ICRA]BB-/Stable & [ICRA]A4), since both the companies are engaged in the same line of business, have a common management and have inter-group purchase and sale transactions. In ICRA's opinion, the ability of the company to manage its working capital requirements and improve its profitability would be key rating sensitivities going forward.

Company Profile

CITPL is a part of the Kolkata based Caltron group which has presence in the IT hardware sub-distribution and retailing business. The company also sells products under its own brands – Poweron and Matrex. The company has its operations spread across Eastern India.

Recent Results

During 2013-14, the company reported a profit after tax (PAT) of Rs 0.28 crores on the back of an operating income of Rs. 100.89 crore as against a PAT of Rs. 0.27 crore on the back of an operating income of Rs. 97.79 crore during 2012-13.

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* 100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions please refer to ICRA's website www.icra.in or other ICRA Rating Publications



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