

February 27, 2020

HiTech Cellphone Private Limited: continues to remain under 'Issuer Not Cooperating' category, Ratings downgraded based on best available information

Summary of Rated Instrument:

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based-limit	8.00	8.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*/ Rating downgraded from [ICRA]BB (Stable) and Continues to remain under 'Issuer Not Cooperating' category.
Unallocated-limit	5.00	5.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*/ Rating downgraded from [ICRA]BB (Stable) and Continues to remain under 'Issuer Not Cooperating' category.
Non-fund-based limit	7.00	7.00	[ICRA]A4 ISSUER NOT COOPERATING*/ Rating Continues to remain under 'Issuer Not Cooperating' category.
Total	20.00	20.00	

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The ratings for the Rs.20.00 crore bank facilities of HiTech Cellphone Private Limited. Downgraded and continues to remain under 'Issuer Not Cooperating' category. The rating is now denoted as "[ICRA]B+ (stable)/[ICRA]A4; ISSUER NOT COOPERATING".

The rating downgrade is because of lack of adequate information regarding HiTech Cellphone Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". 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, despite the downgrade.

As part of its process and in accordance with its rating agreement with HiTech Cellphone Private Limited, 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.

About the company:

HiTech Cellphone Private Limited was established in 2008 and is promoted by Kolkata based Md. Rahabuddin, Md. Gyasuddin and Md. Kamaluddin and their family. The company is primarily involved in trading of mobile phones. Other

than the trading business the promoters of the company are also involved in transportation business through its own fleet of trucks. The company sells its phones under the brand name 'Hi-Tech' and sales of the company are largely concentrated in the state of West Bengal.

The previous detailed rating rationale is available on the following link: [Click here](#)

Status of non-cooperation with previous CRA

CRA	Status	Date of release
CRISIL	CRISIL B+ (Stable)/A4 (Issuer Not Cooperating)	June 14, 2019

CRA	Status	Date of release
India ratings & Research	IND BBB-/A3 (Issuer Not Cooperating)	August 23, 2018

Any other information

Not applicable

Key financial indicators:

	FY2018*	FY2019*
Operating Income (Rs. crore)	126.96	33.47
PAT (Rs. crore)	0.30	-6.86
OPBDIT/ OI (%)	2.6%	-15.2%
RoCE (%)	20.86%	-24.43%
Total Debt/ TNW (times)	0.54	1.04
Total Debt/ OPBDIT (times)	2.66	-1.87
Interest Coverage (times)	1.57	-3.30
NCA/Debt (%)	11%	-70%

*source:MCA

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					27-Feb-2020	29-Nov-2018	17-Aug-2017	-
1	Fundbased-limits	Long Term	8.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	-
2	Unallocated limits	Long Term	5.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	-
3.	Non-fund – based-limits	Short Term	7.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	-

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

Annexure-1

Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fundbased- limits	NA	NA	NA	8.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Unallocated limits	NA	NA	NA	5.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Non-fund – based-limits	NA	NA	NA	7.00	[ICRA]A4 ISSUER NOT COOPERATING

Source: HiTech Cellphone Private Limited

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About ICRA Limited:

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