

Press Release
KGR Enterprises Private Limited

December 27, 2018



Rating Update

Total Bank Facilities Rated*	Rs.70.00 Cr.#
Long Term Rating	ACUITE BBB- Issuer not co-operating*
Short Term Rating	ACUITE A3 Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Acuité has reviewed the long-term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) and short term rating of '**ACUITE A3**' (**read as ACUITE A three**) to the Rs.70.00 crore bank facilities of KGR Enterprises Private Limited (KEPL). This rating is now an indicative rating and is based on best available information.

KGR Enterprises Private Limited, (the erstwhile KGR Enterprises), a Mumbai-based company established in 1996 as a proprietorship firm was converted to private limited in 2013. The company is engaged in the distribution, sale and marketing of mobile phones, tablets, watches, electronic devices and accessories of reputed brands including Micromax, Apple, Titan and Casio. KEPL, the flagship company of the KGR Group was founded by Mr. Kailash Karamchandani. The group also caters to markets in Hong Kong and Dubai.

KEPL is the regional distributor for Apple in Mumbai and Thane regions and for Casio watches in Navi Mumbai and Thane.

Non-cooperation by the issuer/borrower: Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	407.88	243.42	226.73
EBITDA	Rs. Cr.	9.81	4.41	3.71
PAT	Rs. Cr.	6.03	1.69	0.79
EBITDA Margin	(%)	2.40	1.81	1.63
PAT Margin	(%)	1.48	0.70	0.35
ROCE	(%)	15.53	9.35	9.88
Total Debt/Tangible Net Worth	Times	0.64	0.63	0.79

PBDIT/Interest	Times	2.75	1.66	1.42
Total Debt/PBDIT	Times	2.80	4.26	5.21
Gross Current Assets (Days)	Days	86	115	101

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
23-Oct-17	Cash Credit	Long Term	20.00	ACUITE BBB-/Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BBB-/Stable (Assigned)
	Letter of Guarantee	Short Term	8.00	ACUITE A3 (Assigned)
	Proposed Cash Credit	Long Term	22.00	ACUITE BBB-/Stable (Assigned)
	Proposed Letter of Guarantee	Short Term	12.00	ACUITE A3 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BBB- Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BBB- Issuer not co-operating*
Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A3 Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	22.00	ACUITE BBB- Issuer not co-operating*
Proposed Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE A3 Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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