

Press Release

KGR Enterprises Private Limited

May 18, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	-	ACUITE A4 Downgraded Issuer not co-operating*
Bank Loan Ratings	50.00	ACUITE B+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 70.00 crore bank facilities of KGR Enterprises Private Limited (KEPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

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.

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

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 endeavored 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

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Indicators

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

Not Applicable

Any other information

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

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Feb 2021	Proposed Letter of Credit	Short Term	12.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	20.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	8.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	8.00	ACUITE A4+ (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	22.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
09 Dec 2019	Proposed Letter of Credit	Short Term	12.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	8.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	20.00	ACUITE BB (Issuer not co-operating*)
	Cash Credit	Long Term	8.00	ACUITE BB (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	22.00	ACUITE BB (Issuer not co-operating*)
27 Dec 2018	Cash Credit	Long Term	20.00	ACUITE BBB- (Issuer not co-operating*)
	Cash Credit	Long Term	8.00	ACUITE BBB- (Issuer not co-operating*)
	Bank Guarantee	Short Term	8.00	ACUITE A3 (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	22.00	ACUITE BBB- (Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	12.00	ACUITE A3 (Issuer not co-operating*)
23 Oct 2017	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	8.00	ACUITE A3 (Assigned)
	Proposed Cash Credit	Long Term	22.00	ACUITE BBB- Stable (Assigned)
	Proposed Letter of Credit	Short Term	12.00	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A4 Downgraded Issuer not co-operating*
SVC Co-Op Bank Limited	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE B+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE B+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	22.00	ACUITE B+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE A4 Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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