

## Quadrant Televentures Limited

December 07, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	17.22	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	24.40	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>41.62 (Rs. Forty-One Crore and Sixty- Two Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1.

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated September 13, 2021, placed the rating(s) of Quadrant Televentures Limited (QTL) under the 'issuer non-cooperating' category as QTL had failed to provide information for monitoring of the rating. QTL continues to be non-cooperative despite repeated requests for submission of information through phone calls and emails dated November 08, 2022, November 10, 2022 and November 17, 2022. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.***

The rating takes into account non-availability of information due to non-cooperation by Quadrant Televentures Limited with CARE'S efforts to undertake a review of the rating outstanding. CARE views information non-availability risk as a key factor in its assessment of credit risk.

### Detailed description of the key rating drivers

*At the time of last rating on September 13, 2021, the following were the rating weaknesses and strengths (Updated for the information available from the stock exchange):*

### Key Rating Weaknesses Ongoing delays in debt servicing

There are ongoing delays in the servicing of the debt obligations by the company on account of its weak liquidity position. The company has been classified as Non-Performing Asset (NPA) by the bank.

### Financial risk profile marked by losses at the net level

The total operating income of the company improved to Rs.437.89 crore in FY22 as against Rs.428.93 crore in FY21. PBILDT margins also stand improved to 4.85% in FY22 from 2.02% in FY21. The company continued to remain in losses at the net level, with a net loss of Rs. 117.23 crore in FY22 (net loss of Rs. 296.15 crore in FY21). Due to losses at the net level, the networth of the company remained negative.

**History of CDR:** The debt of the Company was restructured under Corporate Debt Restructuring (CDR) mechanism in Mar04 and subsequently in Jun-05. However, due to continued losses and liquidity problems (at the time of launch of GSM services), QTL again approached its lenders for rework of the earlier sanctioned restructuring package, which was approved by CDR Empowered Group in Aug-09, with cut-off date as April 01, 2009. In-line with the last approved CDR terms, Videocon group was inducted as the new strategic investor and subsequently a new management team was setup.

**Deterioration in the financial risk profile of Videocon group from which QTL derives operational and financial support** After taking over the reins of the business of QTL in 2009, the Videocon group has regularly supported the company to fund its capex and other operational needs. The Videocon group, through its flagship company-Videocon Industries Limited (VIL), has presence in varied business verticals such as oil & gas, consumer electronics and telecommunications. However, the financial risk profile of VIL has deteriorated lately, with the company reporting net loss of Rs. 6760.76 crore on a total income of Rs. 1062.61 crore in FY19 as compared with net loss of Rs. 5264.04 crore on a total income of Rs. 3350.12 crore in FY18, on a standalone basis.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Analytical approach:** Standalone

**Applicable Criteria**

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Short Term Instruments](#)

[Service Sector Companies](#)

**About the Company**

Quadrant Televentures Limited (QTL) was incorporated in August 1946 by the name- The Investment Trust of India Limited (ITIL). The name of the company was changed to HFCL Infotel Limited (HIL) in May 2003. In August 2009, the ownership of HIL was transferred to the Videocon group, subsequent to which, the company was rechristened as QTL. Currently, the Videocon group holds majority stake (49.47%) in QTL through an entity promoted by it. QTL is a Unified Access Services (UAS) Licensee in the Punjab Telecom Circle comprising of the state of Punjab, Chandigarh and Panchkula. The company started its operations as a fixed line service provider under the brand name 'Connect' in the year 2000. It was later granted UAS License in the Punjab Telecom Circle (including Chandigarh and Panchkula) in 2003 subsequent to which it launched its CDMA based mobile services under the brand name 'Ping' (from September 2007) and GSM-based mobile services in March 2010. Currently, QTL is providing Fixed Voice (Landline) services, DSL (Internet) services, Leased Line services and CDMA Mobile Services in the Punjab Telecom Circle (including Chandigarh and Panchkula). The company discontinued its GSM business operations from February 15, 2017.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	H1FY23 (UA)
Total operating income	428.93	437.89	228.22
PBILDT	8.66	21.23	25.67
PAT	-296.15	-117.23	-46.67
Overall gearing (times)	-0.82	-0.81	NA
Interest coverage (times)	0.08	0.18	0.41

A: Audited; UA: Unaudited; NA: Not Available

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	17.22	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	24.40	CARE D; ISSUER NOT COOPERATING*

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	17.22	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (16-Jun-20)	-
2	Non-fund-based - ST-BG/LC	ST	24.40	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (13-Sep-21)	1)CARE D; ISSUER NOT COOPERATING* (16-Jun-20)	-

\*Long term/Short term.

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable****Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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