

## Videocon Telecommunications Limited

September 21, 2020

### Ratings

| Facilities/ Instruments               | Amount<br>(Rs. Crore) | Rating <sup>1</sup> | Rating Action |
|---------------------------------------|-----------------------|---------------------|---------------|
| Long term Bank Facilities – Term Loan | -                     | -                   | Withdrawn     |
| Long term Bank Facilities - BG        | -                     | -                   | Withdrawn     |
| <b>Total</b>                          | -                     |                     |               |

### Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating of 'CARE D; Issuer Not Cooperating' [Single D; ISSUER NOT COOPERATING] assigned to the Bank facilities of Videocon Telecommunications Limited with immediate effect, as the company is undergoing Insolvency Resolution Process under Hon'ble NCLT. Therefore, it may no longer be useful or necessary for CARE to maintain a rating on the rated entity's obligations.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

Videocon Telecommunication Limited (VTL) was incorporated as Datacom Solutions Private Limited on June 07, 2007 and in 2009 was renamed as Videocon Telecommunications Limited. VTL is a Videocon Group company; the flagship company of the group is Videocon Industries Limited. During H1FY17, VTL has closed its GSM business. VTL had entered into agreement to transfer right to use of its spectrum to Bharti Airtel Limited in all the six circles in FY16. The transaction was completed in May-2016. VTL also has National Long Distance (NLD)/International Long Distance (ILD) license which allows the company to offer long distance domestic as well as international calls across India.

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

| Brief Financials (Rs. crore) | FY18 (A) | FY19 (A) |
|------------------------------|----------|----------|
| Total operating income       | 168.46   | 11.61    |
| PBILDT                       | -5.99    | -221.27  |
| PAT                          | -407.68  | -591.60  |
| Overall gearing (times)      | 1.84     | 3.37     |
| Interest coverage (times)    | -0.02    | -0.61    |

A: Audited

**Status of non-cooperation with previous CRA:** NA

**Any other information:** Not Applicable

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

### Annexure-1: Details of Instruments/Facilities

| Name of the Instrument              | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue<br>(Rs. crore) | Rating assigned along with Rating Outlook |
|-------------------------------------|------------------|-------------|---------------|----------------------------------|---|
| Fund-based - LT-Term Loan           | -                | -           | -             | 0.00                             | Withdrawn                                 |
| Non-fund-based - LT-Bank Guarantees | -                | -           | -             | 0.00                             | Withdrawn                                 |

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

## Annexure-2: Rating History of last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                                |        | Rating history                            |   |   |   |
|---------|--|-----------------|--------------------------------|--------|---|---|---|---|
|         |  | Type            | Amount Outstanding (Rs. crore) | Rating | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020     | Date(s) & Rating(s) assigned in 2018-2019 | Date(s) & Rating(s) assigned in 2017-2018                             |
| 1.      | Fund-based - LT-Term Loan              | LT              | -                              | -      | -   | 1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) | -   | 1)CARE D; ISSUER NOT COOPERATING* (07-Mar-18)<br>2)CARE D (18-Apr-17) |
| 2.      | Non-fund-based - LT-Bank Guarantees    | LT              | -                              | -      | -   | 1)CARE D; ISSUER NOT COOPERATING* (21-Aug-19) | -   | 1)CARE D; ISSUER NOT COOPERATING* (07-Mar-18)<br>2)CARE D (18-Apr-17) |

*\*Issuer not cooperating; Based on best available information*

## Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA

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

| Sr. No. | Name of the Instrument              | Complexity Level |
|---------|-------------------------------------|------------------|
| 1.      | Fund-based - LT-Term Loan           | Simple           |
| 2.      | Non-fund-based - LT-Bank Guarantees | Simple           |

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**