

Press Release

Ligare Aviation Limited

August 30, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 408.33 Cr. #
Long Term Rating	ACUITE B- (Downgraded) Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B-**' (**read as ACUITE B minus**) from '**ACUITE BB-**' (**read as ACUITE double B minus**) and reviewed the short term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs.408.33 crore bank facilities of Ligare Aviation Limited (LAL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuité has downgraded its rating on the bank facility of Ligare Aviation Limited (LAL). The downgrade of ratings is on account of absence of adequate information to enable Acuité to assess LAL's ability to service its debt.

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

- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Application of Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.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:

Ligare Aviation Limited (LAL) incorporated in 1996 provides non-scheduled charter services. The erstwhile Religare Aviation Limited was changed to LAL in 2012. The company is a step-down subsidiary of RHC Holdings Private Limited (RHC) and a 100% subsidiary of Ligare Voyages Limited (LAL). LAL has a fleet of 11 aircrafts which includes three jets, two helicopters and six turboprops. Four turbo props are owned by the company (on its own books) and the rest are on operating lease of 10 years.

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
20-July-2017	Term Loan	Long term	150.00	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long term	69.44	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long term	75.00	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long term	14.99	ACUITE BB-/ Stable (Assigned)
	Cash Credit	Long term	5.00	ACUITE BB-/ Stable (Assigned)
	Bank Guarantee	Short Term	40.00	ACUITE A4 (Assigned)
	Proposed Long Term Loan	Long term	53.90	ACUITE BB-/ Stable (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
Term Loan	Not Applicable	Not Applicable	Not Applicable	150.00	ACUITE B- Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	69.44	ACUITE B- Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	75.00	ACUITE B- Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	14.99	ACUITE B- Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE B- Issuer not co-operating*

Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE A4 Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	53.90	ACUITE B- Issuer not co-operating*

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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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