

Press Release

Last Mile Online Limited

April 02, 2020

Rating Update



Total Bank Facilities Rated#	Rs.400.00 Cr.
Long Term Rating	ACUITE C (Downgraded from ACUITE BB) 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 C**' (read as **ACUITE C**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.400.00 crore bank facilities of Last Mile Online Limited (LMOL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk and significant liquidity pressure faced by the Essel Group.

Incorporated in 2015, Last Mile Online Limited (LMOL), is a part of Essel group, the leading industrial group with significant presence in media, entertainment, packaging, technology, infrastructure, financial services and education among others. Mr. Subhash Chandra and his family are the promoter of the Group. LMOL is engaged in laying optic fibre cables and providing the Set Top Boxes (STB) for Siti Networks Limited (SNL). LMOL is led by Directors, Mr. Kunwar Saxena, Mr. Keshavan Ganeshan and Mr. Mangesh Deshpande.

SNL, a part of Essel group, is one of India's multi-system operators (MSOs) which provides digital and analog cable TV services with more than 580 locations in India and has a subscriber base of 13.2 million as of December 31, 2017. SNL has 15 digital head ends and a network of more than 32,500 km of optical fibre and coaxial cable.

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.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities in Service Sector - <https://www.acuite.in/view-rating-criteria-50.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

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

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
22-May-2019	Term Loan	Long Term	400.00	ACUITE BB (Indicative)
30-Jan-2019	Term Loan	Long Term	400.00	ACUITE BBB- (Under rating watch with negative implications)
23-Jun-2018	Term Loan	Long Term	400.00	ACUITE BBB-/ 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 Available	Not Applicable	Not Available	400.00	ACUITE C (Downgraded from ACUITE BB) Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in Avadhoot Mane Senior Analyst - Rating Operations Tel: 022-49294051 avadhoot.mane@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.