

Press Release

Ojas Tradelease and Mall Management Private Limited

August 24, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 92.06 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BBB-) Issuer not co-operating*

Refer Annexure for details

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

Acuité has reviewed and downgraded the long-term rating to '**ACUITE B+** (**read as ACUITE B plus**) from '**ACUITE BBB-**' (**read as ACUITE triple B minus**) on the Rs. 92.06 crore bank facilities of Ojas Tradelease and Mall Management Private Limited (OTMMPL). The rating downgrade is on account of information risk. This rating is now an indicative rating and is based on the best available information.

Reason for downgrade and Indicative

Acuité has downgraded the rating of OTMMPL to ACUITE B+ from ACUITE BBB- on account of change in analytical approach and severe liquidity challenges faced by Future Retail Limited (ACUITE C / A4) and Future Enterprises Limited (ACUITE C / A4 / FC). Previously, Acuité had considered a standalone financials of OTMMPL and subsequently notched up the rating based on Letter of Comfort from Future Group (FERG). However, currently, Acuité has only considered standalone rating and has not factored on the parent notch. This is on account of severe liquidity pressure resulting in multiple credit events for FERG (ACUITE C / A4). Acuité believes in case of limited liquidity available with FERG; the group will accord higher priority to its on balance sheet debt. Hence, Acuité has not factored in notch up by way of Letter of Comfort while arriving at the current rating. Further, this rating is now an indicative rating and is based on the best available information.

OTMMPL, incorporated in 2006 is a part of the Future Group and is engaged in leasing of immovable property. OMML owns and operates 1.33 lakh sq. ft. of retail space in Acropolis Mall at Ahmedabad. This area is fully occupied by Future Group entities, namely Big Bazaar, Home Town and Brand Factory. The company also acquires and deals in movable assets for retail outlets of Future Retail Limited (FRL) (ACUITE A / A1 (Watch with Negative Implications) on long-term operating lease. However, it also undertakes opportunity based trading of these assets within the group. The assets include plant and machinery, furniture and fixtures, computers and Information Technology equipment. The fixed assets are installed by the company in various business premises of FRL across India.

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 the due date.

Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition -<https://www.acuite.in/view-rating-criteria-52.htm>
- Entities in Infrastructure Sector -<https://www.acuite.in/view-rating-criteria-51.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)

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
12-Jun-20	Term Loan	Long term	15.01	ACUITE BBB- (Downgraded & Withdrawn)
	Term Loan	Long term	31.54	ACUITE BBB- (Downgraded; Under Watch with Negative Implications)
	Term Loan	Long term	60.52	ACUITE BBB- (Downgraded; Under Watch with Negative Implications)
31-July-19	Term Loan	Long term	15.01	ACUITE BBB+ / Stable (Assigned)
	Term Loan	Long term	31.54	ACUITE BBB+ / Stable (Assigned)
	Term Loan	Long term	60.52	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	Sept-2014	11.50%	Nov-2021	31.54	ACUITE B+ (Downgraded; Indicative)
Term Loan	Sept-2015	11.95%	Dec-2022	60.52	ACUITE B+ (Downgraded; Indicative)

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About Acuité Ratings & Research:

Acuité Ratings & Research 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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