

February 24, 2021

Lot Mobiles Private Limited: Rating continues to remain under issuer not cooperating category, Ratings downgraded based on best available information

Summary of rating action

| Instrument [^] | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|----------------------------|-----------------------------------|----------------------------------|---|
| Long Term - Fund Based/ CC | 5.00 | 5.00 | [ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable) and continues to remain in the 'Issuer Not Cooperating' category |
| Total | 5.00 | 5.00 | |

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Lot Mobiles Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Lot Mobiles Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable Rating Methodologies | Corporate Credit Rating Methodology Policy in respect of non-cooperation by a rated entity |
| Parent/Group Support | NA |
| Consolidation/Standalone | Standalone |

About the company

Lot Mobiles Private Limited (LMPL) was incorporated in 2012 in order to undertake retailing of telecommunication devices, particularly mobiles phone and tablets and telecommunication services through a chain of multi-brand and multi service outlets under the brand name of 'LOT'. Currently, LMPL has total 108 retail outlets in various cities of Andhra Pradesh and Telangana selling mobiles communication devices of brands such as Apple, Blackberry, Celkon, HTC, Karbon, Micromax, Nokia, Samsung, LG, and Sony. LMPL also provides accessories and services like recharge, new sim card, hellotunes and other downloads.

Key financial indicators (audited)

| | FY2018 | FY2019 |
|--|--------|--------|
| Operating Income (Rs. crore) | 582.50 | 513.40 |
| PAT (Rs. crore) | 2.8 | 2.6 |
| OPBDIT/OI (%) | 2.4% | 2.4% |
| RoCE (%) | 42.8% | 28.3% |
| Total Outside Liabilities/Tangible Net Worth (times) | 3.5 | 2.9 |
| Total Debt/OPBDIT (times) | 1.4 | 0.9 |
| Interest Coverage (times) | 2.0 | 1.8 |
| DSCR (times) | 1.8 | 1.7 |

Source: MCA

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

| | Instrument | Current Rating (FY2021) | | | Chronology of Rating History for the past 3 years | | | |
|---|----------------|-------------------------|--------------------------|--------------------------------|---|---|---|---|
| | | Type | Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore) | Date & Rating in | Date & Rating in | Date & Rating in | Date & Rating in |
| | | | | | Feb 24, 2021 | Nov 29, 2019 | Aug 30, 2018 | Feb 20, 2017 |
| 1 | Fund Based/ CC | Long-term | 5.00 | - | [ICRA]B+(Stable); ISSUER NOT COOPERATING | [ICRA]BB+(Stable); ISSUER NOT COOPERATING | [ICRA]BB+(Stable); ISSUER NOT COOPERATING | [ICRA]BB+(Stable); ISSUER NOT COOPERATING |

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

| ISIN No | Instrument Name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (RS Crore) | Current Rating and Outlook |
|---------|-----------------|-----------------------------|-------------|---------------|-------------------------|---|
| NA | Cash Credit | - | - | - | 5.00 | [ICRA]B+ (Stable); ISSUER NOT COOPERATING |

Source: LMPL

ANALYST CONTACTS

Ravichandran K
+91 44 4596 4301
ravichandran@icraindia.com

Srinivasan R
+91 44 4596 4315
r.srinivasan@icraindia.com

Subhechha Banerjee
+91 33 7150 1130
Subhechha.banerjee@icraindia.com

Dhwani Vinchhi
079-40271563
dhwani.vinchhi@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



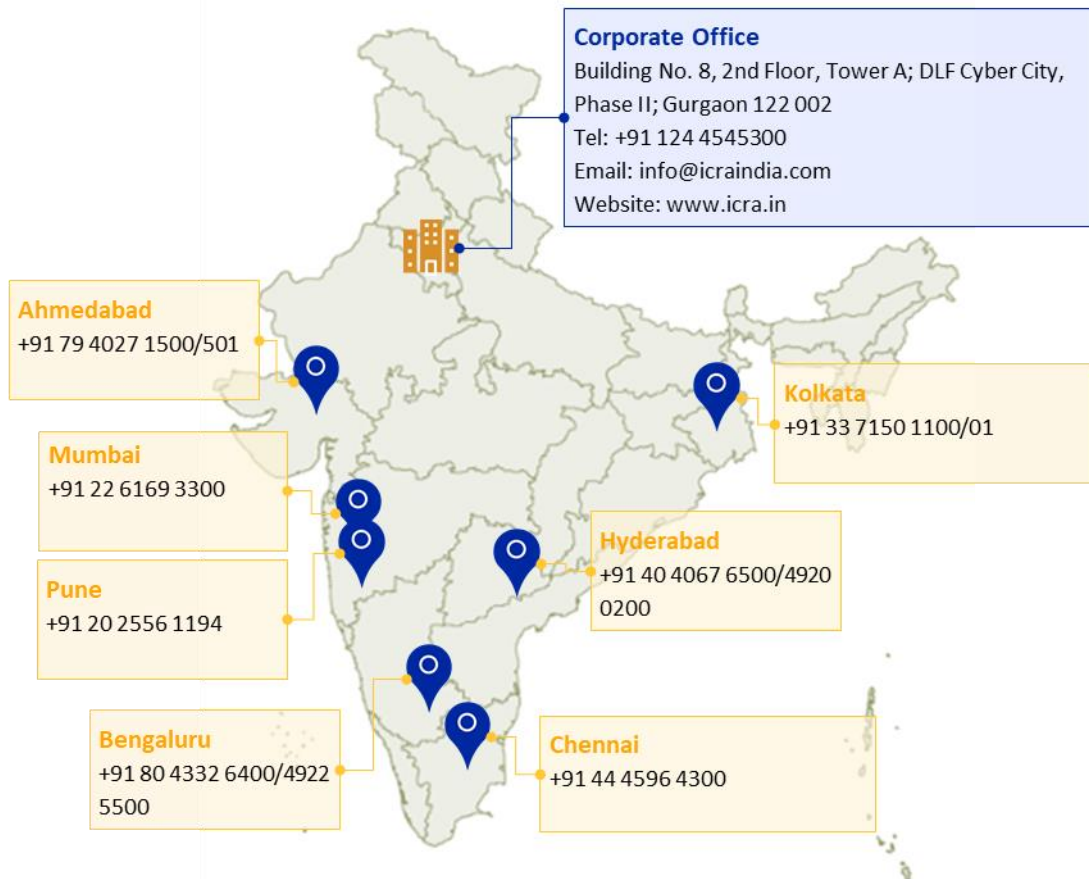
Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50



Branches



© Copyright, 2021 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.