

Aircel Limited

November 16, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	17,479.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	17,479.00 (Rs. Seventeen Thousand Four Hundred Seventy-Nine Crore Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated October 22, 2020, continued to place the ratings of Aircel Limited (AL) under the 'Issuer Not Cooperating' category as the company had failed to provide the requisite information required for monitoring of the ratings as agreed to in its rating agreement. AL continues to be non-cooperative despite repeated requests for submission of information through phone calls and letters/emails dated September 17, 2021, September 27, 2021 etc. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available Information which however, in CARE'S opinion is not sufficient to arrive at a fair rating. Further, AL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The ratings for the bank facilities of AL are denoted as '**CARE D; Issuer not cooperating**'.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

CARE has not received any information from the company. The company is undergoing insolvency resolution process under NCLT.

Analytical approach: The ratings consider a consolidated view on credit risk profiles of Aircel Limited and its wholly-owned subsidiaries namely Aircel Smart Money Limited, Aircel Cellular Limited and Dishnet Wireless Limited (AL- Aircel Limited, ASML – Aircel Smart Money Limited, ACL – Aircel Cellular Limited, DWL – Dishnet Wireless Limited)

Applicable Criteria

[Policy in respect of Non-cooperation by Issuer](#)

[Criteria on assigning Outlook and Credit Watch to Credit Ratings](#)

[CARE'S Policy on Default Recognition](#)

[Rating Methodology - Mobile Service Providers](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology – Consolidation](#)

About the Company

Aircel Limited (AL), together with two of its wholly owned subsidiaries ACL and DWL, provides 2G wireless telecom services in all the 22 circles of India and 3G services in 13 circles. ASML, another wholly owned subsidiary of AL, provides mobile banking services. Maxis Communications Berhad (MCB), through Global Communication Service Holdings Limited and Deccan Digital Networks Private Limited, effectively holds approximately 73.99% equity interest in AL. Further, Aircel had filled before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 10 of the Insolvency and Bankruptcy Code, 2016

Brief Financials (Rs. crore)	CY15(A)	CY16(A)
Total operating income	11433	11630
PBILDT	1429	598
PAT	(2215)	(4319)
Overall gearing (times)	NM	NM
Interest coverage (times)	0.80	0.52

A: Audited

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Status of non-cooperation with previous CRA: AL has not cooperated with ICRA which has classified it as issuer not cooperative vide Press release dated May 24, 2021. The reason provided by ICRA is of non-submission of information by the Company.

Any other information: Not Applicable

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

Complexity level of various instruments: Please refer Annexure-3

Annexure-1: Details of Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - LT-BG/LC		-	-	-	3750.00	CARE D; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	-	13729.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

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 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Non-fund-based - LT-BG/LC	LT	3750.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (22-Oct-20)	1)CARE D; ISSUER NOT COOPERATING* (23-Dec-19)	1)CARE D; ISSUER NOT COOPERATING* (16-Aug-18)
2	Term Loan-Long Term	LT	13729.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (22-Oct-20)	1)CARE D; ISSUER NOT COOPERATING* (23-Dec-19)	1)CARE D; ISSUER NOT COOPERATING* (16-Aug-18)

*Issuer did Not Cooperate; Based on best available information

Annexure 3: Complexity level of various instruments rated for this Company

Sr. No	Name of instrument	Complexity level
1	Non-fund-based - LT-BG/LC	Simple
2	Term Loan-Long Term	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. Investors/market intermediaries/regulators or others are welcome to write to 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

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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.