

Press Release

ESSEL CORPORATE RESOURCES PRIVATE LIMITED

May 22, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 500.00 Cr. #
Long Term Rating	ACUITE BB (Downgraded from ACUITE BBB- Rating watch with negative implications) Issuer not co-operating*

Refer Annexure for details

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

Acuité has downgraded the long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 500.00 crore bank facilities of ESSEL CORPORATE RESOURCES PRIVATE LIMITED (ECRPL). This rating is now an indicative rating and is based on best available information.

The rating revision is on account of lack of information and clarity by the management for resolving the rating watch. Acuité observes that the promoters have been facing challenges in monetization of their stake in the flagship entity of the group (i.e ZEEL). This has impacted the promoter's ability to support other group entities like ECRPL. Acuité further believes that the group's liquidity profile is likely to remain under pressure over the near term.

Essel Corporate Resources Private Limited (ECRPL), incorporated in 2002 is a part of Essel Group, a industrial group with presence in media, entertainment, technology, infrastructure, packaging, financial services and education among others. Mr. Subhash Chandra is the promoter of the Group. ECRPL is engaged in management and consultancy services to Essel group companies. The company is led by Directors, Mr. Ashok Sanghavi and Mr. Basant Sharma.

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Service Entities - <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 - 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

Acuite 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
30-Jan-2019	Term Loan	Long Term	295.00	ACUITE BBB- (Under rating watch with negative implications)
	Term Loan	Long Term	205.00	ACUITE BBB-/ Stable (Reaffirmed)
6-July-2018	Term Loan	Long Term	295.00	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	205.00	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.Cr.)	Ratings
Term Loan	Not Applicable	Not Applicable	Not Applicable	295.00	ACUITE BB (Downgraded) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	205.00	ACUITE BB (Downgraded) Issuer not co-operating*

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

Contacts

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About Acuite Ratings & Research:

Acuite 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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