

Press Release

Essel Corporate Resources Private Limited

April 02, 2020

Rating Update



| | |
|-------------------------------------|---|
| Total Bank Facilities Rated# | Rs.500.00 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

Acuite has downgraded the long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.500.00 crore bank facilities of Essel Corporate Resources Private Limited (ECRPL). 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.

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: Acuite 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 Acuite's policies.

Acuite 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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite 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

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 |
|-------------|---------------------------------|-----------|------------------|---|
| 22-May-2019 | Term Loan | Long Term | 295.00 | ACUITE BB (Indicative) |
| | Term Loan | Long Term | 205.00 | ACUITE BB (Indicative) |
| 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- (Under rating watch with negative implications) |
| 06-Jul-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. Crore) | Ratings/Outlook |
|------------------------|------------------|----------------|---------------|-------------------------------|---|
| Term Loan | Not Available | Not Applicable | Not Available | 295.00 | ACUITE C (Downgraded from ACUITE BB) Issuer not co-operating* |
| Term Loan | Not Available | Not Applicable | Not Available | 205.00 | 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 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.

Disclaimer: An Acuite 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. Acuite 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, Acuite, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuite 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. Acuite 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 Acuite.