

Press Release

Ascent E Digit Solutions Private Limited

August 10, 2021



Rating Withdrawn

| | |
|-------------------------------------|---------------------------------------------------|
| Total Bank Facilities Rated# | Rs.55.50 Cr. |
| Long Term Rating | ACUITE BB Withdrawn; Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ Withdrawn; Issuer not co-operating* |

#Refer Annexure for details

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

Rating Rationale

Acuité has withdrawn the long term rating of '**ACUITE BB**' (**read as ACUITE double B**) and the short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.55.50 Cr. bank facilities of Ascent E Digit Solutions Private Limited (AEPL). The rating is now flagged as an 'Issuer Not-Cooperating' based on best available information.

The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuité's policy on withdrawal of ratings.

About the Entity

Incorporated in 2010, Ascent E Digit Solutions Private Limited (AEPL) is an Erode, Tamil Nadu based company engaged in distribution, installation and service of IT products to various government departments, banks, corporate, educational institutions, social organizations among others. Prior to conversion as AEPL, it was doing business since 1991 as a partnership concern in the name of 'Zigma Computer Links' (ZCL). AEPL is one of the major Rate Contract (RC) holders of ELCOT (Electronics Corporation of Tamil Nadu Ltd) for supply of IT products. The company promoted by Mr. K. P. Mutharasu and Mr. Dharmaraj.

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.

Applicable Criteria

- Default Recognition – <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector Entities – <https://www.acuite.in/view-rating-criteria-50.htm>
- Financial Ratios And Adjustments – <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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 has 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.

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon.

Rating Sensitivities

No information provided by the issuer / available for Acuité to comment upon.

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 |
|-------------|---------------------------------|------------|------------------|----------------------------------------|
| 21-Jan-2021 | Cash Credit | Long Term | 5.00 | ACUITE BB (Downgraded & Indicative) |
| | Bank Guarantee | Short Term | 13.00 | ACUITE A4+ (Indicative) |
| | Proposed Cash Credit | Long Term | 15.00 | ACUITE BB (Downgraded & Indicative) |
| | Proposed Bank Guarantee | Short Term | 22.50 | ACUITE A4+ (Indicative) |
| 05-Nov-2019 | Cash Credit | Long Term | 5.00 | ACUITE BB+ (Indicative) |
| | Bank Guarantee | Short Term | 13.00 | ACUITE A4+ (Indicative) |
| | Proposed Cash Credit | Long Term | 15.00 | ACUITE BB+ (Indicative) |
| | Proposed Bank Guarantee | Short Term | 22.50 | ACUITE A4+ (Indicative) |
| 28-Aug-2018 | Cash Credit | Long Term | 5.00 | ACUITE BB+ / Stable (Reaffirmed) |
| | Bank Guarantee | Short Term | 13.00 | ACUITE A4+ (Reaffirmed) |
| | Proposed Cash Credit | Long Term | 15.00 | ACUITE BB+ / Stable (Assigned) |
| | Proposed Bank Guarantee | Short Term | 22.50 | ACUITE A4+ (Assigned) |

#Annexure – Details of instruments rated

| Lender Name | Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|------------------|-------------------------|------------------|----------------|----------------|-----------------------------|--------------------------------------------------|
| Karur Vysya Bank | Cash Credit | Not Applicable | Not Available | Not Applicable | 5.00 | ACUITE BB Withdrawn; Issuer not co-operating* |
| Karur Vysya Bank | Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 13.00 | ACUITE A4+ Withdrawn; Issuer not co-operating |
| Not Applicable | Proposed Cash Credit | Not Applicable | Not Applicable | Not Applicable | 15.00 | ACUITE BB Withdrawn; Issuer not co-operating* |
| Not Applicable | Proposed Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 22.50 | ACUITE A4+ Withdrawn; Issuer not co-operating |

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

Contacts

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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 8,816 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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