

Press Release

Essel Green Mobility Limited

April 02, 2020



Rating Update

Total Bank Facilities Rated#	Rs.200.00 Cr.
Long Term Rating	ACUITE C (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE C**' (**read as ACUITE C**) from '**ACUITE BB-**' (**read as ACUITE double B minus**) on the Rs.200.00 crore bank facilities of Essel Green Mobility Limited (EGML). This rating is now an indicative rating and is based on best available information. The rating is downgraded on account of information risk and significant liquidity pressure faced by the Essel Group.

Incorporated in 2015, EGML is a part of Essel group, the leading industrial group with significant presence in media, entertainment, technology, infrastructure, packaging, financial services and education among others. Mr. Subhash Chandra is the promoter of the Group. (EGML) is wholly owned subsidiary of Essel Infraprojects Limited (EIL), the flagship company of Essel group in the infrastructure segment, formed with the focus on the mobility space. The project will be group's first integrated transport solution.

EGML's business model is mainly divided into two verticals viz. transport solution and energy storage. In the transport solution, EGML will develop a network of electric three wheeler (Autos) and electric buses by which it will own a fleet of these vehicles. In energy storage vertical EGML plans to manufacture lithium-ion battery cells in collaboration with a global company.

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.

Acuité 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). 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)

None

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
15-Apr-19	Term Loan	Long Term	200.00	ACUITE BB-/ 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	200.00	ACUITE C (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité 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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