

Press Release

Essel Finance Business Loans Limited

October 08, 2020

Rating Update



Total Facilities Rated*	Rs. 500.00 Cr. #
Total Bank Facilities Rated	Rs. 450.00 Cr.
Long Term Rating	ACUITE D Downgraded; Issuer not co-operating*
Total NCD's Rated	Rs. 50.00 Cr.
Long Term Rating	ACUITE D Downgraded; Issuer not co-operating*

Refer Annexure for details

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

Acuite has downgraded the long term rating of '**ACUITE C' (read as ACUITE C)** to '**ACUITE D' (read as ACUITE D)** on the Rs. 450.00 crore bank facilities of Essel Finance Business Loans Limited. This rating is now an indicative rating and is based on the best available information.

Further, Acuite has downgraded the long term rating of '**ACUITE C' (read as ACUITE C)** to '**ACUITE D' (read as ACUITE D)** on the Rs. 25.00 crore Non-Convertible Debentures and Rs. 25.00 crore Subordinated Non-Convertible Debentures of Essel Finance Business Loans Limited. This rating is now an indicative rating and is based on the best available information.

Acuite has relied on publicly available information with regards to the account conduct.

Essel Finance Business Loans Limited (EFLL) is a Maharashtra based Public Limited Company, engaged in extending Secured Loans (Loan Against property), Equipment financing, SME Loans, and Loans to NBFC/MFIs. EFLL was formerly known as Blue Blend Equity Limited (BBEL), an RBI registered NBFC since 1998. BBEL was completely acquired by Essel group in 2015 and renamed as EFLL. Dakshin Mercantile Private Limited (DMPL) and Essel Finance Management LLP held 81.65 percent and 18.35 percent equity shares of EFLL as on March 31, 2019. DMPL is wholly owned by the promoter family of the Essel group (Mrs. Sushila Devi Goel, wife of Dr. Subhash Chandra).

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 the 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 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>
- Non- Banking Financing Entities - <https://www.acuite.in/view-rating-criteria-44.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 endeavored 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 attempts.

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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
November 06, 2019	Cash Credit	Long Term	8.5	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Overdraft	Long Term	5.00	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Term Loan	Long Term	10.00	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Term Loan	Long Term	20.00	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Proposed Bank Facility	Long Term	319.5	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Term Loan	Long Term	15.00	ACUITE C (Downgraded from ACUITE BBB-/Negative))
	Term Loan	Long Term	35.00	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Term Loan	Long Term	7.00	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Term Loan	Long Term	20.00	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Cash Credit	Long Term	10.00	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Subordinated Non-convertible Debentures	Long Term	25.00	ACUITE C (Downgraded from ACUITE BBB-/Negative)
	Non-convertible Debentures	Long Term	25.00	ACUITE C (Downgraded from ACUITE BBB-/Negative)
April 26, 2019	Cash Credit	Long Term	8.50	ACUITE BBB-/Negative (Reaffirmed)

	Overdraft	Long Term	5.00	ACUITE BBB-/Negative (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BBB- (Withdrawn)
	Term Loan	Long Term	10.00	ACUITE BBB-/Negative (Reaffirmed)
	Term Loan	Long Term	20.00	ACUITE BBB-/Negative (Reaffirmed)
	Proposed Bank Facility	Long Term	319.5	ACUITE BBB-/Negative (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE BBB-/Negative (Assigned)
	Term Loan	Long Term	35.00	ACUITE BBB-/Negative (Assigned)
	Term Loan	Long Term	7.00	ACUITE BBB-/Negative (Assigned)
	Term Loan	Long Term	20.00	ACUITE BBB-/Negative (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB-/Negative (Assigned)
	Subordinated Non-convertible Debentures	Long Term	25.00	ACUITE BBB-/Negative (Reaffirmed)
	Non-convertible Debentures	Long Term	25.00	ACUITE BBB-/Negative (Reaffirmed)
April 17, 2019	Cash Credit	Long Term	8.5	ACUITE BBB-/Negative (Assigned)
	Overdraft	Long Term	5.00	ACUITE BBB-/Negative (Assigned)
	Term Loan	Long Term	15.00	ACUITE BBB-/Negative (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB-/Negative (Assigned)
	Term Loan	Long Term	20.00	ACUITE BBB-/Negative (Assigned)
	Proposed Bank Facility	Long Term	391.5	ACUITE BBB-/Negative (Assigned)
	Subordinated Non-convertible Debentures	Long Term	25.00	ACUITE BBB-/Negative (Assigned)
	Non-convertible Debentures	Long Term	25.00	ACUITE BBB-/Negative (Assigned)

#Annexure – Details of instruments rated

	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
-	Cash Credit	NA	NA	NA	8.5	ACUITE D (Downgraded; Issuer Not Cooperating*)
-	Overdraft	NA	NA	NA	5.00	ACUITE D (Downgraded; Issuer Not Cooperating*)
-	Term Loan	NA	NA	NA	10.00	ACUITE D (Downgraded; Issuer Not Cooperating*)

-	Term Loan	NA	NA	NA	20.00	ACUITE D (Downgraded; Issuer Not Cooperating*)
-	Proposed Bank Facility	NA	NA	NA	319.5	ACUITE D (Downgraded; Issuer Not Cooperating*)
-	Term Loan	NA	NA	NA	15.00	ACUITE D (Downgraded; Issuer Not Cooperating*)
-	Term Loan	NA	NA	NA	35.00	ACUITE D (Downgraded; Issuer Not Cooperating*)
-	Term Loan	NA	NA	NA	7.00	ACUITE D (Downgraded; Issuer Not Cooperating*)
-	Term Loan	NA	NA	NA	20.00	ACUITE D (Downgraded; Issuer Not Cooperating*)
-	Cash Credit	NA	NA	NA	10.00	ACUITE D (Downgraded; Issuer Not Cooperating*)
INE684V08014	Subordinated Non-convertible Debentures	19-Aug-2016	13.99%	19-Aug-2022	25.00	ACUITE D (Downgraded; Issuer Not Cooperating*)
INE684V08030	Non-convertible Debentures	29-Jun-2017	12.75%	29-Jun-2020	25.00	ACUITE D (Downgraded; Issuer Not Cooperating*)

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

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About Acuite Ratings & Research:

Acuite 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 8,000 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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