



Press Release
Essel Finance Business Loans Limited
October 03, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	450.00	ACUITE D Reaffirmed Issuer not co-operating*	-
Non Convertible Debentures (NCD)	50.00	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	500.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 450.00 crore bank facilities of Essel Finance Business Loans Limited (EFBL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information. Further, Acuite has reaffirmed the long-term rating of '**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 (EFBL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Incorporated in the year 1996, Essel Finance Business Loans Limited (EFBL) is a Maharashtra based Public Limited Company, engaged in extending Secured Loans (Loan Against property), Equipment financing, SME Loans, and Loans to NBFC/MFIs. Essel Finance Business Loans Limited was formerly known as Blue Blend Equity Limited (BBEL), an RBI registered NBFC since 1998. Blue Blend Equity Limited was completely acquired by Essel group in 2015 and renamed as Essel Finance Business Loans Limited. The current directors of the company are Ms Seema Jain, Ms Vibhu Agarwal, Mr Jignesh Prakash Gandhi and Mr Piyush Rajgarhia. Dakshin Mercantile Private Limited (DMPL) and Essel Finance Management LLP held 81.65 percent and 18.35 percent equity shares of Essel Finance Business Loans Limited as on March 31, 2019. Dakshin Mercantile Private Limited 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.

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.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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.

Rating Sensitivities

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

All Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials:

Particulars	Unit	FY21 (Actual)	FY20 (Actual)
Total Assets	Rs. Cr.	99.74	108.16
Total Income*	Rs. Cr.	0.44	10.53
PAT	Rs. Cr.	(1.51)	(45.42)
Net Worth	Rs. Cr.	73.12	74.63
Return on Average Assets (RoAA)	(%)	(1.45)	(17.19)
Return on Average Net Worth (RoNW)	(%)	(2.04)	(46.66)
Total Debt/Tangible Net worth (Gearing)	Times	-	-
Gross NPA	(%)	NA	NA
Net NPA	(%)	NA	NA

*Total income equals to Total Income net off interest expense
Ratios as per Acuité calculations

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to

the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria “Complexity Level Of Financial Instruments” on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Oct 2022	Non Convertible Debentures	Long Term	25.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	20.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	8.50	ACUITE D (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	319.50	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	10.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	35.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	20.00	ACUITE D (Issuer not co-operating*)
	Secured Overdraft	Long Term	5.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	7.00	ACUITE D (Issuer not co-operating*)
	Non Convertible Debentures	Long Term	25.00	ACUITE D (Issuer not co-operating*)
11 Oct 2021	Non Convertible Debentures	Long Term	25.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	35.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	20.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	20.00	ACUITE D (Issuer not co-operating*)
	Secured Overdraft	Long Term	5.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	8.50	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	10.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	7.00	ACUITE D (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	319.50	ACUITE D (Issuer not co-operating*)
	Non Convertible Debentures	Long Term	25.00	ACUITE D (Issuer not co-operating*)
	Non Convertible Debentures	Long Term	25.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	20.00	ACUITE D (Downgraded and Issuer not co-operating*)
		Long		ACUITE D (Downgraded and Issuer not

08 Oct 2020	Term Loan	Term	15.00	co-operating*)
	Term Loan	Long Term	7.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	35.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	319.50	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Non Convertible Debentures	Long Term	25.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	10.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	8.50	ACUITE D (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	20.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	5.00	ACUITE D (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
RBL Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.50	ACUITE D Reaffirmed Issuer not co- operating*
A U Small Finance Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE D Reaffirmed Issuer not co- operating*
Not Applicable	Not Applicable	Non-Convertible Debentures (NCD)	Not Applicable	Not Applicable	Not Applicable	Simple	25.00	ACUITE D Reaffirmed Issuer not co- operating*
Not Applicable	Not Applicable	Non-Convertible Debentures (NCD)	Not Applicable	Not Applicable	Not Applicable	Simple	25.00	ACUITE D Reaffirmed Issuer not co- operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	319.50	ACUITE D Reaffirmed Issuer not co- operating*
Catholic Syrian Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE D Reaffirmed Issuer not co- operating*
Catholic Syrian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	10.00	ACUITE D Reaffirmed Issuer not co- operating*
Equitas Small Finance Bank Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	20.00	ACUITE D Reaffirmed Issuer not co- operating*
IDFC First Bank Limited	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	15.00	ACUITE D Reaffirmed Issuer not co-

								operating*
IDFC First Bank Limited	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	35.00	ACUITE D Reaffirmed Issuer not co- operating*
IDFC First Bank Limited	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	7.00	ACUITE D Reaffirmed Issuer not co- operating*
A U Small Finance Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	20.00	ACUITE D Reaffirmed Issuer not co- operating*

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Suman Paul Analyst-Rating Operations Tel: 022-49294065 suman.paul@acuite.in	

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

Disclaimer: An Acuité 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. Ratings assigned by Acuité 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, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité 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. Ratings assigned by Acuité 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 Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.