



Press Release
Esds Software Solution Private Limited (Erstwhile Esds Software Solution Private Limited)
December 28, 2023

Product	Rating Down (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	56.25	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	25.75	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	82.00	-	-

Rating Rationale

The issuer did not co-operate within stipulated timelines ; Based on best available information.

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) on the Rs.56.25 Cr. long term bank facilities and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from **ACUITE A2** (read as **ACUITE A two**) on the Rs. 25.75 Cr. short-term bank facilities of ESDS SOFTWARE SOLUTION PRIVATE LIMITED (ESDS). The rating is flagged as "Issuer not corporating" and is downgraded on account of information risk.

About the Company

Nashik-based, ESDS Software Solution Private limited (ESDS) was incorporated in 2005 by Mr. Piyush Somani. The company is engaged in the business of providing IT services and software solutions such as web hosting services, data centre services, website development, and software development, among others. Company has its fully integrated data centres located in Nashik, Mumbai, and Bangalore.

Unsupported Rating

Not Applicable

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.

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 ratings 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	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	201.87	194.82
PAT	Rs. Cr.	(15.03)	2.11
PAT Margin	(%)	(7.45)	1.08
Total Debt/Tangible Net Worth	Times	0.90	0.90
PBDIT/Interest	Times	2.13	3.67

Status of non-cooperation with previous CRA

Not Applicable.

Any other information

None

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>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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
10 Oct 2022	Term Loan	Long Term	17.08	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	4.17	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	1.55	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Bank Guarantee	Short Term	13.75	ACUITE A2 (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	1.38	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	4.70	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Bank Guarantee	Short Term	12.00	ACUITE A2 (Upgraded from ACUITE A4+)
	Term Loan	Long Term	3.79	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Working Capital Term Loan	Long Term	2.62	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
	Proposed Cash Credit	Long Term	0.96	ACUITE BBB+ Stable (Upgraded from ACUITE BB+)
12 Jul 2022	Term Loan	Long Term	1.18	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.40	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	9.77	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	7.64	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Cash Credit	Long Term	15.26	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	12.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	13.75	ACUITE A4+ (Downgraded and Issuer not co-operating*)
16 Dec	Cash Credit	Long Term	10.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	1.18	ACUITE A- Stable (Assigned)
	Bank Guarantee	Short Term	13.75	ACUITE A1 (Assigned)
	Cash Credit	Long Term	10.00	ACUITE A- Stable (Assigned)
		Long		

2020	Term Loan	Term	2.40	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	9.77	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	7.64	ACUITE A- Stable (Assigned)
	Proposed Cash Credit	Long Term	15.26	ACUITE A- Stable (Assigned)
	Bank Guarantee	Short Term	12.00	ACUITE A1 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	13.75	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Axis Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	12.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Axis Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.96	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Axis Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.17	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Axis Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.55	ACUITE BB+ Downgraded Issuer not co-

								operating* (from ACUITE BBB+)
Axis Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	17.08	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Axis Bank	Not Applicable	Term Loan	Not available	Not available	30 Apr 2024	Simple	3.79	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.70	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.38	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Axis Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	2.62	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)

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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.

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