



Press Release

EG Communications Private Limited

August 20, 2020

Rating Update

Total Bank Facilities Rated*	Rs. 23.00 crore
Long Term Rating	ACUITE BB+ (Downgraded; Issuer not co-operating)
Short Term Rating	ACUITE A4+ (Downgraded; Issuer not co-operating)

* Refer Annexure for details

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE Double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs. 23.00 crore bank facilities of EG Communications Private Limited (ECPL). The rating is downgraded on account of information risk.

New Delhi based, EG Communications Private Limited (ECPL) was incorporated in 2002 (earlier established as a proprietorship firm in 1998) by Mr. Praveen Kumar Gupta. It is an advertising agency accredited by Indian Newspaper Society (INS). Being the pioneers for Delhi Metro advertising, the rights for advertising on the panels inside the metro trains (Line II-III, Line V-VI & Line VIII) are with ECPL since its inception. The company has sole advertising rights for train wraps in Delhi Metro trains on Line II-III, Line V-VI & Line VIII. In a recent development, ECPL has entered into the Metro Station advertising across 16 stations on Line II (Rajiv Chowk to Samaypur Badli).

Analytical Approach

Acuité has considered the standalone business and financial risk profile of ECPL to arrive at the rating.

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.

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

Applicable Criteria

- Entities in Manufacturing Sector– <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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

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
May 31, 2019	Cash Credit	Long-Term	5.00	ACUITE BBB/ Stable (Reaffirmed)
	Bank Guarantee	Short-Term	17.50	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Long-Term	0.50	ACUITE BBB/ Stable (Reaffirmed)
March 12, 2018	Cash Credit	Long-Term	3.00	ACUITE BBB/ Stable (Upgraded)
	Bank Guarantee	Short-Term	13.00	ACUITE A3+ (Upgraded)
	Proposed Bank Facility	Long-Term	0.50	ACUITE BBB/ Stable (Upgraded)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not applicable	Not applicable	Not applicable	5.00	ACUITE BB+ (Downgraded; Issuer not-cooperating*)
Bank Guarantee	Not applicable	Not applicable	Not applicable	17.50	ACUITE A4+ (Downgraded; Issuer not-cooperating*)
Proposed Bank Facility	Not applicable	Not applicable	Not applicable	0.50	ACUITE BB+ (Downgraded; Issuer not-cooperating*)

Contacts

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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 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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