

Press Release

EG Communications Private Limited



November 23, 2021

Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Net Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.50		ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	5.50	ACUITE BB Downgraded Issuer not co-operating*	
Total	23.00	-	-

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BB+**' (**read as ACUITE double B plus**) and reaffirmed the short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 23.00 crore bank facilities of EG Communications Private Limited (ECPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

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 the 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).

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.

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.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

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

Liquidity Indicators

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

Rating Sensitivity

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

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

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

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Aug 2020	Cash Credit	Long Term	5.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	17.50	ACUITE A4+ (Downgraded and Issuer not co-operating*)
31 May 2019	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	0.50	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee	Short Term	17.50	ACUITE A3+ (Reaffirmed)
12 Mar 2018	Cash Credit	Long Term	3.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Cash Credit	Long Term	0.50	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Bank Guarantee	Short Term	13.00	ACUITE A3+ (Upgraded from ACUITE A3)
19 Dec 2016	Cash Credit	Long Term	3.00	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	11.50	ACUITE A3 (Reaffirmed)
	Proposed Cash Credit	Long Term	2.00	ACUITE BBB- Stable (Reaffirmed)
12 Aug 2015	Cash Credit	Long Term	3.00	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	11.50	ACUITE A3 (Assigned)

	Proposed Working Capital Demand Loan	Long Term	2.00	ACUITE BBB- Stable (Assigned)
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Annexure - Details of instruments rated

Lender's Name	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Size Of Issue	Rating
Bank of Baroda	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	17.50	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE BB Downgraded Issuer not co-operating*
Bank of Baroda	Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB Downgraded Issuer not co-operating*

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About Acuité Ratings & Research

Acuité 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 8,850 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 Kanjurmarg, Mumbai.

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