

Educomp Solutions Limited

August 19, 2020

Ratings

Facilities/ Instruments	Amount (Rs. Crore)	Rating ¹	Rating Action
Long term Bank Facilities	-	-	Withdrawn
Long-term/Short-term Bank Facilities	-	-	Withdrawn
Total	-		
NCD	-	-	Withdrawn
Receivables Assignment Facility	-	-	Withdrawn

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating of 'CARE D; Issuer Not Cooperating' [Single D; ISSUER NOT COOPERATING] assigned to the Bank facilities and instruments of Educomp Solutions Limited with immediate effect, as the company is undergoing Insolvency Resolution Process under Hon'ble NCLT. Therefore, it may no longer be useful or necessary for CARE to maintain a rating on the rated entity's obligations.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Educomp Solutions Ltd. (ESL) was incorporated in 1994 as Educomp Datamatics Pvt. Ltd. and the name of the company was changed to the present one in August 2005. The company is engaged in providing digital educational content in the classroom through its patented product 'Smart Class' and Edureach (earlier known as Instructional and Computational Technology (ICT)). 'Smart Class' was a first of its kind, teacher-led educational content based solution which provides technology based learning into the classrooms. Edureach worked closely with various State and Central Government agencies to implement large scale Public-Private-Partnership projects. The company was also engaged in providing High Learning Solutions comprising vocational, higher education and professional development, K-12 schools (comprising pre-schools and high schools) and online, supplementary & global Business.

Covenants of rated instrument / facility: *Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3*

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	235.04	211.32
PBILD	-41.36	-50.00
PAT	-304.37	-475.56
Overall gearing (times)	37.95	-7.07
Interest coverage (times)	-0.16	-0.20

A: Audited

Status of non-cooperation with previous CRA: NA

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term		-	-	-	0.00	Withdrawn
Non-fund-based-LT/ST		-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	INE216H07016	-	-	-	0.00	Withdrawn
Direct Assignment-Assignee Payout		-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Term Loan-Long Term	LT	-	-	1)CARE D; ISSUER NOT COOPERATING* (24-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (26-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (07-Mar-18)
2.	Non-fund-based-LT/ST	LT/ST	-	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (24-Jun-20)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (26-Jul-19)	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (07-Mar-18)
3.	Fund-based - LT-Cash Credit	LT	-	-	1)CARE D; ISSUER NOT COOPERATING* (24-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (26-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (07-Mar-18)
4.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE D; ISSUER NOT COOPERATING* (24-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (26-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (07-Mar-18)
5.	Direct Assignment-Assignee Payout	LT	-	-	1)CARE D; ISSUER NOT COOPERATING* (24-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (26-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (07-Mar-18)

*Issuer not cooperating; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: NA

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple
2.	Fund-based - LT-Cash Credit	Simple
3.	Non-fund-based-LT/ST	Simple
4.	Term Loan-Long Term	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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