



Rating Rationale

Pan India Network Limited

1 Feb 2019

Brickwork Ratings has placed the ratings for the bank loan facilities of Pan India Network Limited (PINL or the Company) under Credit watch with developing implications.

BWR has O/S rating for Pan India Network Limited as per table below.

Facility	Limits (Rs. Crs)	O/s Rating (April-2018)	Present Rating*
Fund Based	239.00	BWR BBB+ (Pronounced as BWR Triple B Plus) Outlook: Stable	BWR BBB+ (Pronounced as BWR Triple B Plus) (Credit Watch with developing implications)
Non Fund Based	105.00	BWR A2 (Pronounced as BWR A Two)	BWR A2 (Pronounced as BWR A Two) (Credit Watch with developing implications)
Total	344.00	(INR Three Hundred and Forty Four Crores Only)	

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings.

The rating was last reviewed in April 2018 for details; refer to the following link for further details.

[https://www.brickworkratings.com/Admin/PressRelease/Pan-India-Network-16April2018%20\(1\).pdf](https://www.brickworkratings.com/Admin/PressRelease/Pan-India-Network-16April2018%20(1).pdf)

On 25th January 2019, The Shares price of companies within the umbrella of Essel and ZEEL including the ZEEL fell substantially for various reasons including some issues with Nityank Infrapower and Multiventures Private Ltd, alleged to be a group or associate company of ZEEL promoters. Some Investors reportedly sold the pledged shares, which resulted in further fall. Subsequent to this, there was disclosure by the group chairman regarding denial of links with the said Company, group financials position, external factors and plans for disinvestment of part promoter stake in ZEEL.

BWR takes comfort from reported agreement with lenders that there will not be any event of default declared due to steep fall in price. BWR further takes comfort from stated intent of



speedy resolution through a strategic sale of ZEEL in a time bound manner. The proceeds of such stake sale are stated to be used for repayment of debt against pledge of shares at group Level. The deal is under the discussion stage and it will be announced shortly. While the Chairman of the group has made press statements to these effects and some investors also have issued public statements, BWR is awaiting formal minutes relating this understanding.

Group’s financial flexibility has diminished on account of these events, and hence refinancing risk is higher. However the operating and financial performance of ZEEL, the flagship company of the group, continues to remain satisfactory and the promoters have announced their plans to monetize part of their stake for repayments of debt of dues including those which have raised debt by pledge of shares. So far BWR has not received any intimation of default.

In intervening period, the above rating is placed on “Credit Watch with Developing Implications”

Rating Sensitive Event: Stake sale in ZEEL by the promoters and promoted group within the agreed period and expected valuation is crucial for Essel Group. Any delays or no deal will be credit negative for the Zee/Essel Group.

BWR will monitor the development specifically with respect to outcome of strategic stake sale by promoters in a time bound manner & expected valuation and will periodically review the ratings.

- [General Criteria](#)
- [Policy for Placing Rating on Credit Watch](#)

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For print and digital media



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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER

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