

July 28, 2023

Empee Sugars And Chemicals Limited: Continues to remain under issuer non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short Term- Non-Fund Based- Others	128.18	128.18	[ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term- Fund Based-Term Loan	384.90	384.90	[ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Fund Based-Cash Credit	127.14	127.14	[ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Unallocated	0.78	0.78	[ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Total	641.00	641.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-term and short-term ratings of Empee Sugars and Chemicals Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance, Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition Sugar
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

ESCL is engaged in the manufacturing of sugar and spirits including ethanol. The Company started its cane crushing operation in 1992 at Naidupet Unit in Andhra Pradesh and later ventured into the production of Spirits namely rectified spirits and extra neutral alcohol. ESCL has two operating units at Naidupet (Nellore) in Andhrapradesh and Ambasamudram (Tirunelveli) in Tamil Nadu. ESCL has 8000 TCD cane crushing capacity, integrated with 60 klpd distillery and 50 MW cogeneration plant at Ambasamudram and 3000 TCD and 20 klpd distillery at Naidupet. ESCL also has a subsidiary Empee Power Company Limited, which operates 20 MW cogeneration power plant at Naidupet. Its Ambasamudram unit is facing cane availability issues and the sugar production is discontinued. Further, the 50 MW power co-gen plant also has stopped generation of power since Dec 1, 2014.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years		
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				28-July-2023	26-May-2022	-	16-Mar-2021
1 Term Loan	Long Term	384.90	-	[ICRA] D; ISSUER NOT COOPERATING	[ICRA] D; ISSUER NOT COOPERATING	-	[ICRA] D; ISSUER NOT COOPERATING
2 Cash Credit	Long Term	127.14	-	[ICRA] D; ISSUER NOT COOPERATING	[ICRA] D; ISSUER NOT COOPERATING	-	[ICRA] D; ISSUER NOT COOPERATING
3 Non-fund Based	Short Term	128.18	-	[ICRA] D; ISSUER NOT COOPERATING	[ICRA] D; ISSUER NOT COOPERATING	-	[ICRA] D; ISSUER NOT COOPERATING
4 Unallocated	Long Term	0.78	-	[ICRA] D; ISSUER NOT COOPERATING	[ICRA] D; ISSUER NOT COOPERATING		[ICRA] D; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Cash Credit	Simple
Non-fund Based	Very Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	384.90	[ICRA] D; ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	127.14	[ICRA] D; ISSUER NOT COOPERATING
NA	Non-fund Based	-	-	-	128.18	[ICRA] D; ISSUER NOT COOPERATING
NA	Unallocated				0.78	[ICRA] D; ISSUER NOT COOPERATING

Source: Empee Sugars And Chemicals Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

ANALYST CONTACTS

Sabyasachi Majumdar
+91 -124-4545304
sabyasachi@icraindia.com

Subhechha Banerjee
+91 33 7150 1130
subhechha.banerjee@icraindia.com

Susmita Biswas
+91-033 7150 1182
susmita.biswas@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+022-61693300
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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