

December 24, 2020

Empire Industries Limited: Moved to Non-Cooperating category, Ratings downgraded based on best available information

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term Fund Based - Term Loan	61.68	61.68	[ICRA]BBB(Stable) ISSUER NOT COOPERATING; revised from [ICRA]A (Negative) and Moved to the 'Issuer Not Cooperating' category
Short-term, Non-fund Based Limits	50.00	50.00	[ICRA]A3+ ISSUER NOT COOPERATING; revised from [ICRA]A1 and Moved to the 'Issuer Not Cooperating' category
Short-term, Fund-based Limits	80.00	80.00	[ICRA]A3+ ISSUER NOT COOPERATING; revised from [ICRA]A1 and Moved to the 'Issuer Not Cooperating' category
Long-term and Short-term, Fund-based Limits	25.00	25.00	[ICRA]BBB(Stable)/[ICRA]A3+ ISSUER NOT COOPERATING; revised from [ICRA]A (Negative)/[ICRA]A1 and Moved to the 'Issuer Not Cooperating' category
Long-term – Interchangeable	51.00	51.00	[ICRA]BBB(Stable) ISSUER NOT COOPERATING; revised from [ICRA]A (Negative) and Moved to the 'Issuer Not Cooperating' category
Short-term – Interchangeable	231.00	231.00	[ICRA]A3+ ISSUER NOT COOPERATING; revised from [ICRA]A1 and Moved to the 'Issuer Not Cooperating' category
Public Deposits	74.30	74.30	MA- (Stable) ISSUER NOT COOPERATING; revised from MA (Negative) and Moved to the 'Issuer Not Cooperating' category
Total	290.98	290.98	

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

^Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Empire Industries Limited's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Empire Industries Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No.

SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company:

Incorporated on October 17, 1900, EIL is a public limited company, with presence in diverse businesses such as vitrum glass manufacturing, agency services, property leasing, frozen food trading and real estate development. The vitrum glass division is located at Vikhroli in Mumbai and manufactures amber glass bottles for the pharmaceutical industry. The agency segment procures machine tools, chemicals and industrial equipment from foreign principals on behalf of domestic customers and offers installation and maintenance services. The company has constructed commercial properties and rented out to reputed corporate clients. It is also engaged in import and export of frozen/marine food. In addition, EIL launched a township project in Ambarnath (Maharashtra) in January 2015, comprising industrial galas, residential buildings and a commercial complex. The development of phase I of the project is underway.

Status of non-cooperation with previous CRA- Not applicable

Any other information- Not applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					24-Dec-2020	25-Sep-2019	31-Jul-2018	13-Jun-2017
1	Fund Based Term Loan	Long-Term	61.68	-	[ICRA]BBB (Stable) ISSUER NOT COOPERATING	[ICRA]A (Negative)	[ICRA]A (Stable)	[ICRA]A (Stable)
2	Non-fund Based Limits	Short-Term	50.00	-	[ICRA]A3+ ISSUER NOT COOPERATING	[ICRA]A1	[ICRA]A1	[ICRA]A1
3	Fund-based Limits	Short-Term	80.00	-	[ICRA]A3+ ISSUER NOT COOPERATING	[ICRA]A1	[ICRA]A1	[ICRA]A1
4	Fund-based Limits	Long-Term/ Short-Term	25.00	-	[ICRA]BBB (Stable) ISSUER NOT COOPERATING/ [ICRA]A3+ ISSUER NOT COOPERATING	[ICRA]A (Negative)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1
5	Interchangeable	Long - Term	51.00	-	[ICRA]BBB (Stable) ISSUER NOT COOPERATING	[ICRA]A (Negative)	[ICRA]A (Stable)	[ICRA]A (Stable)
6	Interchangeable	Short - term	231.00	-	[ICRA]A3+ ISSUER NOT COOPERATING	[ICRA]A1	[ICRA]A1	[ICRA]A1
7	Public Deposits	Medium - Term	74.30	-	MA- (Stable) ISSUER NOT COOPERATING	MA (Negative)	MA (Stable)	MA (Stable)

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the 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	FY2014	9.95%	FY2020	11.68	[ICRA]BBB(Stable) ISSUER NOT COOPERATING
NA	Term Loan	FY2018	9.00%	FY2026	50.00	[ICRA]BBB(Stable) ISSUER NOT COOPERATING
NA	Non-Fund Based Limits	-	-	-	25.00	[ICRA]BBB(Stable) ISSUER NOT COOPERATING [ICRA]A3+ ISSUER NOT COOPERATING
NA	Pre-shipment Credit	-	-	-	40.00	[ICRA]A3+ ISSUER NOT COOPERATING
NA	Post-shipment Credit	-	-	-	40.00*	[ICRA]A3+ ISSUER NOT COOPERATING
NA	Pre-shipment Finance	-	-	-	20.00*	[ICRA]A3+ ISSUER NOT COOPERATING
NA	Fund Based Facility	-	-	-	40.00	[ICRA]A3+ ISSUER NOT COOPERATING
NA	Working Capital Demand Loan	-	-	-	20.00**	[ICRA]A3+ ISSUER NOT COOPERATING
NA	EPC/Pre – shipment/ Post – shipment	-	-	-	40.00**	[ICRA]A3+ ISSUER NOT COOPERATING
NA	Letter of Credit	-	-	-	20.00**	[ICRA]A3+ ISSUER NOT COOPERATING
NA	Bank Guarantee	-	-	-	10.00**	[ICRA]A3+ ISSUER NOT COOPERATING
NA	Letter of Credit/Bank	-	-	-	25.00	[ICRA]A3+ ISSUER NOT COOPERATING
NA	Forward Cover	-	-	-	25.00	[ICRA]A3+ ISSUER NOT COOPERATING
NA	Public Deposits	-	-	-	74.30	MA- (Stable) ISSUER NOT

Source: EIL

*sublimit of pre-shipment credit of Rs 40.00 crore

**sublimit of fund based facility of Rs 40.00 crore

Analyst Contacts

K. Ravichandran

+91 44 4596 4301

ravichandran@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

Rupa Pandey

+91 22 6114 3456

rupa.pandey@icraindia.com

Pragya Sharma

+91 22 6114 3454

pragya.sharma@icraindia.co-m

Relationship Contact

Jayanta Chatterjee

+91 80 4332 6401

jayantac@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:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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