

January 07, 2021

Empire Industries Limited: Bank Loan Ratings withdrawn; public deposits rating put on notice of withdrawal for six months

Summary of rating action

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Long Term Fund Based - Term Loan	61.68	61.68	[ICRA]BBB(Stable) ISSUER NOT COOPERATING; Withdrawn
Short-term, Non-fund Based Limits	50.00	50.00	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
Short-term, Fund-based Limits	80.00	80.00	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
Long-term and Short-term, Fund-based Limits	25.00	25.00	[ICRA]BBB(Stable)/[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
Long-term – Interchangeable	51.00	51.00	[ICRA]BBB(Stable) ISSUER NOT COOPERATING; Withdrawn
Short-term – Interchangeable	231.00	231.00	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
Public Deposits	74.30	74.30	MA- (Stable) ISSUER NOT COOPERATING; put on notice of withdrawal for six months
Total	290.98	290.98	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the [ICRA]BBB (Stable) ISSUER NOT COOPERATING and [ICRA]A3+ ISSUER NOT COOPERATING ratings outstanding on the Rs. 216.68 crore bank limits and has also placed the MA- (Stable) ISSUER NOT COOPERATING rating for Rs. 74.30 crore on notice of withdrawal for six months. The ratings have been withdrawn/put on notice of withdrawal in accordance with ICRA's policy on the withdrawal and suspension of credit ratings, at the request of the company, and based on the no objection certificates from the banks/auditor certificate (for public deposits). ICRA does not have adequate information to suggest that the credit risk has changed since the time the rating was last reviewed.

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

Key rating drivers and their description: Not applicable Credit strengths: Not applicable

Credit challenges: Not applicable

Liquidity: Not applicable

Sensitivities: Not applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financials of Empire Industries Limited

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.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Instrument	Type	Current Rating (FY2021)		Rating		Rating History for the Past 3 Years		
		Amount Rated	Amount Outstanding	January 7, 2021		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; Withdrawn	[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; Withdrawn	[ICRA]A3+ ISSUER NOT COOPERATING	[ICRA]A1	[ICRA]A1	[ICRA]A1
3 Fund-based Limits	Short-Term	80.00	-	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn	[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; Withdrawn	[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; Withdrawn	[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; Withdrawn	[ICRA]A3+ ISSUER NOT COOPERATING	[ICRA]A1	[ICRA]A1	[ICRA]A1
7 Public Deposits	Medium - Term	74.30	-	MA- (Stable) ISSUER NOT COOPERATING; put on notice of withdrawal for six months	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 www.icra.in

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; Withdrawn
NA	Term Loan	FY2018	9.00%	FY2026	50.00	[ICRA]BBB(Stable) ISSUER NOT COOPERATING; Withdrawn
NA	Non-Fund Based Limits	-	-	-	25.00	[ICRA]BBB(Stable) ISSUER NOT COOPERATING [ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Pre-shipment Credit	-	-	-	40.00	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Post-shipment Credit	-	-	-	40.00*	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Pre-shipment Finance	-	-	-	20.00*	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Fund Based Facility	-	-	-	40.00	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Working Capital Demand Loan	-	-	-	20.00**	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	EPC/Pre – shipment/ Post – shipment	-	-	-	40.00**	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Letter of Credit	-	-	-	20.00**	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Bank Guarantee	-	-	-	10.00**	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Letter of Credit/Bank Guarantee	-	-	-	25.00	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Forward Cover	-	-	-	25.00	[ICRA]A3+ ISSUER NOT COOPERATING; Withdrawn
NA	Public Deposits	-	-	-	74.30	MA- (Stable) ISSUER NOT COOPERATING; put on notice of withdrawal for six months

Source: EIL

Annexure-2: List of entities considered for consolidation: Not applicable

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