



Press Release
Embaby General Finance India Private Limited
August 26, 2024
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	30.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 30.00 crore bank facilities of Embaby General Finance India Private Limited (EGFL). The rating is now flagged as "Issuer Not-Cooperating" and is based on the best available information. The downgrade is on account of information risk.

About the Company

Embaby General Finance India Private Limited (EGFL) a Non-Banking Financial Company (NBFC) incorporated in November 2008 and based out of Kattappana, in the Idukki district of Kerala, mainly operates by providing loans against collateral of gold jewellery primarily to individuals having limited or no access to formal credit to meet their short term personal requirements. The promoter, Mr. E.M. Baby, has been operating in this business since 1966. Over the years, the company has expanded its presence across two districts (i.e., Idukki and Kottayam) with branch base of 21 as on December 31, 2022. The operations will remain confined to the state of Kerala over the medium term. Apart from loans against gold jewellery, it also provides money transfer facilities in India, foreign inward money transfer services, encashment of foreign currencies, etc. EGFL is the flagship company of the E.M. Baby Group, which also operates in hospitality, trade distribution, finance, industry, money exchange, and general insurance.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit

such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials:

Particulars	Unit	FY22 (Actual)	FY21 (Actual)
Total Assets	Rs Cr.	64.08	62.93
Total Income*	Rs Cr.	5.40	5.82
PAT	Rs Cr.	0.61	1.82
Networth	Rs Cr.	18.69	19.56
Return on Average Assets (ROAA)	(%)	0.97	3.03
Return on Net Worth (RoNW)	(%)	3.22	9.67
Total Debt/Tangible Net Worth (Gearing)	Times	2.29	2.10
Gross NPA's	(%)	0.34%	0.25%
Net NPA's	(%)	0.31%	0.22%

*Total income equals to Net Interest Income plus other income

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 May 2023	Cash Credit	Long Term	11.60	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	4.71	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	0.66	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	1.37	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	0.06	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	0.06	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	0.11	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	0.57	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	0.63	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	0.63	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	1.49	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.33	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	7.78	ACUITE BBB- Stable (Reaffirmed)
07 Mar 2022	Cash Credit	Long Term	11.75	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	7.07	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	0.97	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	2.00	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	0.46	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	0.69	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	0.69	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	0.74	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	1.14	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	1.26	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	1.26	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.52	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.45	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Federal Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.60	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	7.78	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.33	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.71	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.66	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.37	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not	Working Capital Demand Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.06	ACUITE BB+ Downgraded Issuer not co-

	appl.	(WCDL)						operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.06	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.11	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.57	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.63	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.63	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.49	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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