

Press Release

EMBABY GENERAL FINANCE INDIA PRIVATE LIMITED

May 22, 2025

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	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded the long term rating from ‘ACUITE BBB-’ (read as ACUITE triple B minus) to ‘ACUITE BB’ (read as ACUITE double B) 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.

Rationale for the rating

Acuite Ratings notes the publication titled "List of NBFCs and ARCs whose Certificate of Registration (CoR) has been cancelled by the RBI", dated May 9, 2025, on the official website of the Reserve Bank of India (RBI), which includes the name of the issuer entity.

The issuer has informed Acuite of an interim stay order dated April 8, 2025 (to continue operation for a period of three month) granted by the Honourable High Court of Kerala, allowing it to continue operations temporarily despite the cancellation of its Certificate of Registration by RBI. Acuite considers that any subsequent developments in the judicial proceedings or further regulatory actions could materially influence the rating.

At present, Acuite has not received any additional information or clarification regarding the matter. Furthermore, the issuer has not provided financial performance data for FY 2024–25, despite repeated requests. Requests for a management interaction have also not been accommodated. As a result, Acuite has classified the rating under the “Issuer Not Cooperating” (INC) category.

Acuite had conducted a rating review during October–November 2024 and published the associated press release on November 29, 2024. During that review period, Acuite was not made aware of the RBI’s communication on the CoR cancellation dated October 8, 2024, or the subsequent stay order dated November 4, 2024, from the Honourable High Court of Kerala.

Acuite will continue to monitor all relevant regulatory and judicial developments related to the issuer.

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 late promoter, Mr. E.M. Baby, started in this business in the year 1966. Over the years, the company has expanded its presence across two districts (i.e., Idukki and Kottayam) with branch base of 23 as on March 31, 2024. 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. Acuite 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 Acuite's policies.

Limitation regarding information availability

This rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuite 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	FY24 (Actual)	FY23 (Actual)
Total Assets	Rs Cr.	62.92	56.67
Total Income*	Rs Cr.	6.20	6.26
PAT	Rs Cr.	1.03	1.29
Networth	Rs Cr.	21.01	19.99
Return on Average Assets (ROAA)	(%)	1.72	2.14
Return on Net Worth (RoNW)	(%)	5.02	6.67
Total Debt/Tangible Net Worth (Gearing)	Times	1.86	1.70
Gross NPA's	(%)	0.34	2.08
Net NPA's	(%)	0.32	1.76

**Total income equals to Net Interest Income plus other income*

Status of non-cooperation with previous CRA

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité 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 Nov 2024	Working Capital Demand Loan (WCDL)	Long Term	0.21	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	0.17	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	0.06	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	0.11	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	2.11	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	0.29	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	1.49	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	0.43	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	1.50	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	4.82	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	12.32	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	4.43	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	0.69	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Working Capital Demand Loan (WCDL)	Long Term	1.37	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
26 Aug 2024	Cash Credit	Long Term	11.60	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	4.71	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	0.66	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	1.37	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	0.06	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	0.06	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	0.11	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	0.57	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	0.63	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	0.63	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Working Capital Demand Loan (WCDL)	Long Term	1.49	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Term Loan	Long Term	0.33	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	7.78	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	7.78	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	11.60	ACUITE BBB- Stable (Reaffirmed)

29 May 2023	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)
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	Quantum (Rs. Cr.)	Complexity Level	Rating
Federal Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.32	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
South Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.82	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Term Loan	27 Feb 2024	Not avl. / Not appl.	15 Feb 2028	0.43	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.43	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.69	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.37	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.17	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.06	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.11	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.11	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.21	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.29	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.49	Simple	ACUTE BB Downgraded Issuer not co-operating* (from ACUTE BBB-)

* The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research

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