



## Press Release

### East India Drums & Barrels Manufacturing Company (EIDBMC)

October 19, 2022

#### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Bank Facilities - Term Loan	11.65	IVR BB; ISSUER NOT COOPERATING* (IVR Double B; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Long Term Fund Based Bank Facilities - Cash Credit	14.00	IVR BB; ISSUER NOT COOPERATING* (IVR Double B; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Short Term Non-Fund Based Bank Facilities - Bank Guarantee	4.00	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>29.65</b>	<b>Rupees Twenty Nine Crore and Sixty Five Lakh only</b>		

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

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

The revision in the ratings assigned to the bank facilities of East India Drums & Barrels Manufacturing Company reflects lack of adequate information and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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.



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### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated July 25, 2022, August 3, 2022, August 17, 2022, September 2, 2022, September 14, 2022 and September 30, 2022, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the rating for the bank facilities of EIDBMC aggregating Rs.29.65 crore has been moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

### **Analytical Approach:** Standalone

### **Applicable Criteria:**

[Guidelines on what constitutes Non-Cooperation by Clients](#)

[Rating Methodology for Manufacturing companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria of assigning Rating Outlook](#)

### **About the Company**

East India Drums & Barrels Manufacturing Company is engaged in manufacturing and supply of industrial drums like Mild Steel (MS) Drum, Galvanized (GI) Drum and Composite Barrels. The Company was established as a sole proprietorship firm by Mr. Madhav Valia & Ms. Sangita Valia in 2013 and got converted into a Company in 2021. The Company is categorized as a MSME unit. EIDBMC has an in-house technology and product development centres engaged in innovative work for design of new products. The principal application of the firms' product is packaging and storage of hydrocarbons and speciality chemicals. The Company has manufacturing locations at Daman and Sonipat – Haryana and has recently started a unit in Karjat- Maharashtra with a combined capacity of 21 lakh drums of various grades and sizes per annum.



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### Financials (Standalone):

(Rs. Crore)

For the year ended* / INR. Crore	31-03-2019	31-03-2020
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	109.58	153.42
EBITDA	3.39	6.93
PAT	0.90	3.26
Total Debt	7.13	24.37
Tangible Net Worth	2.99	5.08
<b>Ratios</b>		
EBITDA Margin (%)	3.09	4.51
PAT Margin (%)	0.82	2.12
Overall Gearing Ratio (x)	2.37	4.80

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Instrument / Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (August 31, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Fund Based Bank Facilities - Term Loan	Long Term	11.65	IVR BB; ISSUER NOT COOPERATING* (IVR Double B; ISSUER NOT COOPERATING*)	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	-	-
2.	Fund Based Bank Facilities - Cash Credit	Long Term	14.00	IVR BB; ISSUER NOT COOPERATING* (IVR Double B; ISSUER NOT COOPERATING*)	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	-	-



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3.	Non-Fund Based Bank Facilities - Bank Guarantee	Short Term	4.00	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; ISSUER NOT COOPERATING*)	IVR A4+ (IVR A Four Plus)		

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

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit [www.infomerics.com](http://www.infomerics.com).



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**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	January 2028	11.65	IVR BB; ISSUER NOT COOPERATING*
Cash Credit	-	-	Revolving	14.00	IVR BB; ISSUER NOT COOPERATING*
Bank Guarantee	-	-	Revolving	4.00	IVR A4; ISSUER NOT COOPERATING*

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

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 3: Facility wise lender details:** Not applicable

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).