



Rating Rationale

Everest Starch (India) Private Limited

13th September 2017

Brickwork Ratings has reviewed the Rating assigned to the bank loan facilities of Rs.46.42 Crs of Everest Starch (India) Pvt Ltd based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is revised to **BWR B+ ISSUER NOT COOPERATING***

Particulars

Facility #	Amount(Rs. Crs)		Tenure	Rating ##	
	Previous	Present #		Previous	Present
Fund Based	46.42	46.42	Long Term	BWR BB (Outlook: Stable)	BWR B+ (Pronounced BWR B plus) ISSUER NOT COOPERATING* Downgraded from BWR BB (Outlook:Stable)
Total	46.42	46.42	INR Forty Six Crores and Forty Two Lakhs Only		

#Annexure 1 provides details of bank loan facilities

##Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate; Based on best available information

Long Term Rating downgraded

Nature of Non-co-operation:

The rating was due for a review in February 2017. BWR took up with the issuer to provide required information over emails and through telephonic communication. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. Hence, on account of inadequate information and lack of management co-operation, Brickwork Ratings has revised the ratings to **BWR B+ ISSUER NOT COOPERATING***



Limitations of the rating:

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

Analytical approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

About the Company

Everest Starch (India) Pvt Ltd (ESIPL) set up in 2011 at Ahmedabad, Gujarat, is engaged in manufacturing of starch and derivative products. ESIPL's product range includes Corn Starch Powder, Dextrin Modified Starch, Paper Grade Modified starches, Textile Grade Modified Starches, Starches for Food & Pharmaceuticals (I.P/ B.P. Grade) and Corrugated Gum Products for packaging etc. The company's manufacturing facilities are located at Rajkot-Ahmedabad national high way, with manufacturing capacity of 350 MTPD

Financial Performance

ESIPL achieved revenue of Rs.70.05 crore for FY15 as against revenue of Rs.8.74 crore for FY14. Operating profit was Rs. 12.42 crore and Net profit was Rs.0.66 crore for FY15 as against Rs.1.45 Crore and Rs. 0.57crore respectively during FY14.



Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No	Instrument /Facility	Current Rating (August 2017)			Rating History		
		Type	Amount (Rs. Crs)	Rating	February 2016#	2015	2014
1	Fund Based	Long Term	46.42	BWR B+ ISSUER NOT COOPERATING* Revised from BWR BB (Outlook:Stable)	BWR BB (Outlook: Stable)	N.A.	N.A.
Total			46.42	INR Forty Six Crores and Forty Two Lakhs Only			

Rated amount was Rs. 46.42 Crs.

* Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA:

CRISIL, vide its press release dt June 27 2016, has suspended its rating of the bank loan facilities of the company on account of non-cooperation by the company with CRISIL's efforts to undertake a review.

Any other information: NA

Hyperlink/Reference to applicable Criteria / Policies

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-cooperation](#)

Analytical Contacts	Media
<i>Rajee R</i> <i>General Manager – Ratings</i>	media@brickworkratings.com
analyst@brickworkratings.com	Relationship Contact
	bd@brickworkratings.com
Phone: 1-860-425-2742	



For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9, 30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.



Everest Starch (India) Pvt Ltd

Annexure I

Bank Facilities

Name of the Bank	Name of Facility	Rated Amount (Rs Crs)
Central Bank of India, Samrat Industrial Area, Gondal Road Rajkot- 360 004	Term Loan	26.42
	Cash Credit	20.00
Total		46.42 *

***As per information furnished to BWR in 2016**