

November 09, 2015

Facilities	Amount (Rs. Crore)	Ratings
Term Loan/ Demand Loan	2.94	SMERA B+/Stable (Assigned)
Packing Credit Limit	11.70	SMERA A4 (Assigned)
Letter Of Credit	3.00	SMERA A4 (Assigned)
Bank Guarantee	0.25	SMERA A4 (Assigned)
Bank Facilities (Proposed)	1.11	SMERA B+/Stable (Assigned)

SMERA has assigned long-term rating of **'SMERA B+' (read as SMERA B plus)** and a short-term rating of **'SMERA A4' (read as SMERA A four)** to the Rs. 19.00 crore bank facilities of Evergreen International Limited (EIL). The outlook is **'Stable'**.

The ratings are constrained by the weak liquidity profile as evident from the full utilisation of packing credit limit on account of delays in realisation of exports. The ratings are also constrained on account of decline in revenues from Rs.76.34 crore in FY2012-13 to Rs.53.99 crore in FY2014-15 amidst intense competition in the furniture manufacturing industry. However, the ratings draw support from the established operations, experienced management and moderate financial risk profile.

Outlook: Stable

SMERA believes EIL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its established operations and experienced management. The outlook may be revised to 'Positive' in case the company registers strong growth in revenues while achieving sustained improvement in profit margins and capital structure. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the company's financial risk profile, or stretch in the working capital cycle.

Rating Sensitivity Factors

- Scaling up of operations while improving profit margins
- Working capital management

SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



Evergreen International Limited (EIL)

*Rating
Rationale*

About the Company

EIL, incorporated in 1994, is a Gurgaon-based company promoted by Mr. Shamshar Ahmed Siddiqui who has around three decades of experience in the furniture manufacturing business.

For FY2014-15, EIL reported profit after tax (PAT) of Rs.0.60 crore on operating income of Rs.53.99 crore, as compared with loss of Rs.5.99 crore on operating income of Rs.50.97 crore in FY2013-14. The company's net worth stood at Rs.10.02 crore as on March 31, 2015 against Rs.9.41 crore a year earlier.

Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in Web: www.smera.in	Parimal Thakker Associate Vice President – Corporate Ratings Tel: +91-011-4973 1312 Email: parimal.thakker@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.