

Press Release

Everon Castings Private Limited

March 21, 2023



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	28.00	ACUITE C Downgraded Issuer not co-operating*	-
Bank Loan Ratings	3.00	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	31.00	-	-

Rating Rationale

Acuite has Downgraded the long term rating to '**ACUITE C (read as ACUITE C)**' from '**ACUITE B+ (read as ACUITE B plus)**' and reaffirmed the short term to '**ACUITE A4 (read as ACUITE A four)**' on the Rs. 31.00 crore bank facilities of Everon Castings Private Limited (ECPL).

The rating continues to be an indicative rating. The downgrade is based on the publicly available information.

About the Company

ECPL, incorporated in 2008, is a Coimbatore-based company engaged in the manufacturing of steel castings. The company is promoted by Mr. R. Rajesh who possesses over two decades of experience in the foundry sector. The installed capacity of the company stands at 6,000 tonnes per annum.

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 noncooperation by the issuer along with an 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:

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

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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, 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
20 Jul 2022	Term Loan	Long Term	6.76	ACUITE B+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.00	ACUITE A4 (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	3.24	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	18.00	ACUITE B+ (Issuer not co-operating*)
21 Apr 2021	Proposed Cash Credit	Long Term	3.24	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	3.00	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	18.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	6.76	ACUITE B+ (Downgraded and Issuer not co-operating*)

29 Jan 2020	Bank Guarantee	Short Term	3.00	ACUITE A4 (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	3.24	ACUITE BB- (Issuer not co-operating*)
	Cash Credit	Long Term	18.00	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	6.76	ACUITE BB- (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Karur Vysya Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	18.00	ACUITE C Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.24	ACUITE C Downgraded Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	6.76	ACUITE C Downgraded Issuer not co-operating*

Contacts

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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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