

Press Release

Ever Bright Products

May 21, 2020



Rating Update

| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs. 9.40 Cr. # |
| Long Term Rating | ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ Issuer not co-operating* |

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB-' (read as ACUITE double B Minus)** from '**ACUITE BB/Stable**' and reviewed short-term rating to '**ACUITE A4+** (read as ACUITE A four plus)' on the Rs.9.40 crore bank facilities of Ever Bright Products (EBP). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

EBP, a proprietorship firm established by Mr. D. Balasundaram in 1976 was reconstituted as a partnership firm in 1984. The firm, engaged in the manufacturing of utensils, diversified into sheet metal stamping in 1992. EBP procures steel sheets from TATA steels and Jindal Steels. The production capacity is about 4800 MT per annum. The firm is led by partners, Mr. B. Saravanan and Mr. Hareeswar who manage the day-to-day operations of the firm.

Non-cooperation by the issuer/borrower

Acuité 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 due date. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Acuité 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Sector Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité 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

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

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

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|------------|------------------|---|
| 14-Mar-2019 | Term loans | Long Term | 1.00 | ACUITE BB / Stable (Downgraded from ACUITE BB+/Stable) |
| | Cash Credit | Long Term | 0.80 | ACUITE BB / Stable (Downgraded from ACUITE BB+/Stable) |
| | Bills Discounting | Short Term | 7.50 | ACUITE A4+ (Reaffirmed) |
| | Proposed Long Term loan | Long Term | 0.10 | ACUITE BB / Stable (Downgraded from ACUITE BB+/Stable) |
| 21-Nov-2018 | Proposed Long Term Loan | Long Term | 0.10 | ACUITE BB+ (Indicative) |
| | Cash Credit | Long Term | 0.80 | ACUITE BB+ (Indicative) |
| | Bills Discounting | Short Term | 7.50 | ACUITE A4+ (Indicative) |
| | Term Loan | Long Term | 1.00 | ACUITE BB+ (Indicative) |
| 07-Nov-2017 | Term Loan | Long Term | 1.00 | ACUITE BB+ / Stable (Assigned) |
| | Cash Credit | Long Term | 0.80 | ACUITE BB+ / Stable (Assigned) |
| | Bills Discounting | Short Term | 7.50 | ACUITE A4+ (Assigned) |
| | Proposed Long Term loan | Long Term | 0.10 | ACUITE BB+ / Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|-------------------------|------------------|----------------|----------------|-----------------------------|---|
| Term loans | Not Available | Not Applicable | Not Available | 1.00 | ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating* |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 0.80 | ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating* |
| Bills Discounting | Not Applicable | Not Applicable | Not Applicable | 7.50 | ACUITE A4+ Issuer not co-operating* |
| Proposed Long Term loan | Not Applicable | Not Applicable | Not Applicable | 0.10 | ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating* |

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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