

April 24, 2023

Everest Ply & Veneers Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund based -Cash Credit	16.00	16.00	[ICRA]BB-(stable); withdrawn
Short-term Non Fund Based Letter of Credit	2.00	2.00	[ICRA]A4; withdrawn
Long-term -Term loan	0.50	0.50	[ICRA]BB-(stable); withdrawn
Long term/Short term-Unallocated	0.10	0.10	[ICRA]BB-(stable)/[ICRA]A4; withdrawn
Total	18.60	18.60	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the bank lines of Everest Ply & Veneers Private Limited (EPVPL). The rating has been withdrawn at the company's request and based on the no-objection received from the bank. The rating action is in accordance with ICRA's policy on withdrawal of credit rating. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click Here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on withdrawal of credit ratings
Parent/group support	Not applicable
Consolidation/standalone	Standalone

About the company

EPVPL is the first company of the Everest Group, which was founded in 1995, followed by two other plywood companies, namely SPPL and TVPL. All the three companies were set up together to avail the small-scale industries (SSI) and sales tax benefits offered by the erstwhile Andhra Pradesh Government. The Everest Group manufactures plywood, face and core veneer with plywood accounting for more than 90% of the total sales in FY2022. The plywood manufactured by the Group is sold under brand 'Everest Ply' and 'Evertech Ply'. The manufacturing facilities are located near Visakhapatnam

Key financial indicators

Everest Group	FY2021	FY2022
Operating income (Rs. crore)	98.13	128.47
PAT (Rs. crore)	1.48	1.96
OPBDIT/OI (%)	5.63%	4.59%
PAT/OI (%)	1.50%	1.53%
Total outside liabilities/Tangible net worth (times)	1.32	1.34
Total debt/OPBDIT (times)	10.06	10.1
Interest coverage (times)	0.97	1.07

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: CRISIL, in its rationale for Everest Ply & Veneers Private Limited, published on November 14, 2022, has retained the ratings 'CRISIL B+/Stable/CRISIL A4 ISSUER NOT COOPERATING' based on best available information.

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years		
	Type	Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2023 (Rs. crore)	Date & Rating on	FY2023	FY2022	FY2021
				April 24, 2023	Oct 12, 2022	Aug 13, 2021	Sep 10, 2020
1 Cash credit	Long-term	16.00	NA	[ICRA]BB-(Stable); withdrawn	[ICRA]BB-(Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)
2 Letter of Credit	Short-term	2.00	NA	[ICRA]A4; withdrawn	[ICRA]A4	[ICRA]A4+	[ICRA]A4+
3 Term loan	Long-term	0.50	NA	[ICRA]BB-(Stable); withdrawn	[ICRA]BB-(Stable)	[ICRA]BB (Stable)	[ICRA]BB (Stable)
4 Unallocated limits	Long-term/short-term	0.10	NA	[ICRA]BB-(Stable)/[ICRA]A4; withdrawn	[ICRA]BB-(Stable)/[ICRA]A4	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based Cash credit	Simple
Long-term- Term loan	Simple
Short term- Non fund Based- Letter of credit	Very Simple
Unallocated Limits	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](https://www.icra.in)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	NA	NA	-	16.00	[ICRA]BB- (Stable); withdrawn
NA	Letter of credit	NA	NA	-	2.00	[ICRA]A4; withdrawn
NA	Term loan	NA*	9.05%	FY2025	0.50	[ICRA]BB- (Stable); withdrawn
NA	Unallocated limits	NA	NA	-	0.10	[ICRA]BB- (Stable)/[ICRA]A4; withdrawn

Source: Company and ICRA *Not available

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Everest Ply & Veneers Private Limited (EPVPL)	100%	Full Consolidation
Solid Ply Private Limited (SPPL)	100%	Full Consolidation
Tirupati Veneers Private Limited	100%	Full Consolidation

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