

Ever Electronics Private Limited

Instrument	Amount	Rating Action
Long Term, Fund Based – Term Loan	Rs. 6.00 crore (reduced from Rs. 19.25 crore)	[ICRA]B reaffirmed
Long Term, Fund Based – Cash Credit	Nil (reduced from Rs.3 crore)	-
Short Term, Non-Fund Based	Rs. 11.82 crore (enhanced from Rs. 4.75 crore)	[ICRA]A4 reaffirmed
Long Term/Short Term – Unallocated	Rs. 9.18 crore	[ICRA]B/A4 assigned

ICRA has reaffirmed the long term rating at [ICRA]B (pronounced ICRA B) for Rs. 6.00 crore (reduced from Rs.19.25 crore) long term facility of Ever Electronics Private Limited (“EEPL”, “The Company”)†. ICRA has also reaffirmed the short term rating at [ICRA]A4 (pronounced ICRA A four) for Rs. 11.82 crore (enhanced from Rs.4.75 crore) short term non-fund based facility of EEPL. The rating of [ICRA]B/A4 assigned for the long term/short term unallocated amount of Rs. 9.18 crore.

The rating reaffirmation takes into consideration long standing experience of promoters who enjoy a good relationship with principal LG and other customers as well as expansion in the product portfolio which has resulted in an improved revenue performance. The company’s take over by the new management in December 2013 resulted in addition of new products to be supplied to LG Electronics India (LG). The ratings however continue to remain constrained by high client concentration risk as majority of the output (~95%) is sold to LG. The company has been putting efforts in order to diversify the customer base; however extent of diversification remains marginal at present. ICRA also notes that the company has reported improvement in operating profitability but there are continued net losses and the same have translated into weak capital structure marked by deteriorated net worth position, high gearing level and weak coverage indicators for the company.

Going forward, improving operational efficiency in order to breakeven and resultantly improving financial risk profile remain key sensitivities for the company.

Company Profile

Incorporated in 2004, EEPL is engaged assembling PCBs for LG Electronics India (LG). The company assembles PCBs for Color Televisions, LCD Televisions, DVD players, Refrigerators and other electronic equipments of LG. The company is a single source supplier for LG. The company has also diversified into PCB manufacturing for automobile industry and is supplying to auto ancillary players in Pune.

Recent Results

EEPL reported OPBDIT of Rs. 3.1 crore in FY2016 on an operating income of Rs. 117.8 crore. The company had reported a net loss of Rs. 3.9 crore during the same period.

October 2016

† For complete rating definition, please refer to ICRA website www.icra.in or any of the ICRA Rating Publications.



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