



Press Release

Everest Metals FZE

August 17, 2020

Ratings

Instrument/Facility	Amount (INR Crore)	Ratings	Rating Action
Long Term Fund Based Limits OD –Existing	76.70 (11.80 MN USD)	IVR BB/Stable Outlook; Issuer Not Cooperating * (IVR Double B with Stable Outlook; Issuer Not Cooperating *	Rating Revised from IVR BBB/Stable Outlook(IVR Triple B with Stable Outlook and moved to Issuer Not Cooperating *
Long Term Fund Based Limits – OD – Proposed	63.30 (9.74 MN USD)	IVR BB/Stable Outlook; Issuer Not Cooperating * (IVR Double B with Stable Outlook; Issuer Not Cooperating *	Rating Revised from IVR BBB/Stable Outlook(IVR Triple B with Stable Outlook) Issuer Not Cooperating *
Total	140.00		

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding Everest Metals FZE's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.



Press Release

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated July 14, 2020; July 21, 2020, July 25, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term ratings for the bank loan facilities aggregating to INR 140.00 Crore (including proposed limit of INR 63.30 Crore) of Everest Metals FZE shall be reaffirmed to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as ('IVR BB' Issuer Not Co-operating;) based on best available information .

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

- Standalone
- Rating Methodology for Trading Companies
- Financial Ratios & Interpretation – (Non-Financial Sector)
- Guidelines on what constitutes Non-Cooperation by clients

About the Company

Everest Metals FZE (EMF) was established in 2008 by engaging experienced professionals of Metal Scrap Trade. EMF was the first international and multinational set up of the Group, which was established in Hamriyah Free Zone, Sharjah (United Arab Emirates) and is engaged in the trading of containerized metal scrap, with core competence in steel scrap and related alloyed products including Heavy Melting Scrap (HMS), Shredded, Light Melting Scrap (LMS), Plates & Structures Grades (P&S grades) and other non-ferrous scrap. The Dubai-based company



Press Release

has its presence in 20 countries spread in 3 continents including South Africa, U.K., Germany, Latin America, Dubai, West Africa, Kingdom of Saudi Arabia, Bahrain, Ghana, Cameroon and Senegal.

Financials (Standalone)

(INR Crore)

For the year ended / As on*	CY16	CY17
	Audited	Audited
Total Operating Income	1330.46	1493.14
EBITDA	56.44	59.35
PAT	43.19	46.99
Total Debt	124.35	88.72
Tangible Net worth	276.98	282.36
Ratios		
EBITDA Margin	4.24	3.97
PAT Margin	3.25	3.15
Overall Gearing Ratio	0.45	0.31

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: N.A.

Any other information: N.A.

Rating History for last three years:

Sl. No	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Rating assigned in 2019-20	Rating assigned in 2018-19 (March 28, 2019)	Rating assigned in 2017-18 (March 20, 2018)



Press Release

1.	Long Term Fund Based Limits – OD – Existing	Long Term	76.70 (11.80 MN USD)	IVR BB/Stable Outlook, Issuer Not Cooperating *	--	IVR BBB, Issuer Not Cooperating *	IVR A-/Stable Outlook
2.	Long Term Fund Based Limits – OD – Proposed	Long Term	63.30 (9.74 MN USD)	IVR BB/Stable Outlook, Issuer Not Cooperating *	--	IVR BBB, Issuer Not Cooperating *	IVR A-/Stable Outlook

**Issuer did not cooperate; based on best available information*

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

Name and Contact Details of the Rating Analyst:

Name: Ms. Himani Singhal Tel: (022) 62396023 Email: hsinghal@infomerics.com	Name: Mr. Amit Bhuwania Tel: (022) 62396023 Email: abhuania@infomerics.com
--	---

About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



Press Release

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits - OD – Existing	NA	NA	NA	76.70 (11.80 MN USD)	IVR BB/Stable Outlook; Issuer not cooperating*
Short Term Non Fund Based Facilities – LC/BG	NA	NA	NA	63.30 (9.74 MN USD)	IVR BB/Stable Outlook; Issuer not cooperating*

**Issuer did not cooperate; based on best available information*