

Sort India Enviro Solutions Limited

November 16, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debentures	8.00	8.00	[ICRA]D ISSUER NOT COOPERATING*; rating continues to remain in issuer not cooperating category
Total Limits	8.00	8.00	

*Instrument details are provided in Annexure-1, *Rating continues to remain under ISSUER NOT CO-OPERATING'

Rating action

The ratings for the Rs. 8.00 crore NCD programme of Sort India Enviro Solutions Limited (SIESL)¹ continues to remain under 'ISSUER NOT COOPERATING' category. The ratings are denoted as "[ICRA]D ISSUER NOT COOPERATING". Further, ICRA has removed its earlier rating from the 'Under REVIEW' category. The rating was earlier placed under review due to non-confirmation on ISIN status from the rated entity and debenture trustee.

Rationale

The rating reaffirmation takes into account the continuous delays in interest servicing on NCDs, as confirmed by Debenture trustee.

Key rating drivers

Credit challenges

Delays in debt servicing – As confirmed by debenture trustee, SIESL has delayed in interest payment due on November 13, 2018.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[Corporate Credit Rating Methodology](#)

[ICRA policy on non-cooperation of the rated entity](#)

[Policy on Default Recognition](#)

¹For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

About the company

Incorporated in January 2010, Sort India Enviro Solutions Limited (SIESL) is engaged in collection and sorting of paper recyclables in major cities of Gujarat namely Vadodara, Ahmedabad, Surat, Mehsana, Rajkot, Anand & Nadiad. The company promotes itself under the name Pastiwala.com and collects recyclables from various sources like households, companies, banks, retailers etc & also from local waste pickers. The recyclables are then manually sorted into different categories and sold to various recycling units. In addition, the company also provides shredding services to banks, accountants, lawyers, doctors etc for disposal of confidential data. The company has its warehouse facility in BIDD Vadodara and is promoted by Mr. Paresh Parekh and other relatives.

Key financial indicators (audited)

	FY2014	FY2015
Operating Income (Rs. crore)	25.49	60.26
PAT (Rs. crore)	1.09	2.07
OPBDIT/ OI (%)	11.12%	9.19%
RoCE (%)	35.57%	20.10%
Total Debt/ TNW (times)	2.10	0.73
Total Debt/ OPBDIT (times)	2.06	3.60
Interest Coverage (times)	3.03	2.59

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for last three years:

Instrument	Current Rating (FY2019)		Chronology of Rating History for the past 3 years						
	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016	Date & Rating in FY2015		
1 NCD Long term	8.00	8.00	[ICRA]D ISSUER NOT COOPERATING	November 2018 May 2018	[ICRA]D ISSUER NOT COOPERATING	November 2017 June 2017	[ICRA]B- (Negative) ISSUER NOT COOPERATING	July 2016 - [ICRA]BB- (Stable)	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE544V08010	NCD	August 2016	16.68%	FY2020	8.00	[ICRA]D ISSUER NOT CO-OPERATING

Source: Sort India Enviro Solutions Limited

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