

Press Release
Megatherm Induction Private Limited

June 01, 2021



Rating Update

Total Bank Facilities Rated*	Rs. 63.48 crore
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating
Short Term Rating	ACUITE A4+ (Issuer not co-operating)

* Refer Annexure for details

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BB+**' (**read as ACUITE double B Plus**) on the Rs. 63.48 crore and reviewed the short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the bank facilities of Megatherm Induction Private Limited. The rating is flagged as "Issuer Not Cooperating" and is downgraded on account of information risk.

About the company

Incorporated in FY2010, Kolkata based Megatherm Induction Private Limited (M IPL) is engaged in manufacturing of induction melting furnace, induction heating and induction heat treatment equipment. The day to day operations are carried out by its managing director, Mr. Shesadri Chanda Bhusan along with other directors, Mr. Vikas Varshneya and Mr. Satadri Chanda. The company has manufacturing unit which can carry out production of around Rs.250.00 crore.

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 the due date.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.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 endeavored 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.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

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)

None

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
06-Mar-2020	Cash Credit	Long term	15.00	ACUITE BB+/Stable (Downgraded from ACUITE BBB-)
	Term Loan	Long term	16.48	ACUITE BB+/Stable (Downgraded from ACUITE BBB-)
	Packing Credit	Short Term	7.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Letter of Credit	Short Term	18.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Bank Guarantee	Short Term	7.00	ACUITE A4+ (Downgraded from ACUITE A3)
04-Mar-2019	Cash Credit	Long term	10.00	ACUITE BBB-/Stable (Assigned)
	Term Loan-	Long term	21.00	ACUITE BBB-/Stable (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	10.00	ACUITE A3 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE BB (Downgrade & Indicative)
Term Loan	Not Available	Not Available	Not Available	16.48	ACUITE BB (Downgrade & Indicative)
Packing Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4+ (Indicative)
Letter of Credit	Not Available	9.00%	Not Available	18.00	ACUITE A4+ (Indicative)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4+ (Indicative)

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,383 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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