

Press Release

Megatherm Induction Private Limited

August 26, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	31.48	ACUITE BB- Downgraded Issuer not co-operating*	-
Bank Loan Ratings	32.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	63.48	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 63.48 crore and reaffirmed 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 (MIPL) 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:

Acuite 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 Acuite's policies.

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). Acuite 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

None

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Jun 2021	Term Loan	Long Term	16.48	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	7.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	7.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	18.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	7.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Letter of Credit	Short Term	18.00	ACUITE A4+ (Downgraded from ACUITE A3)

06 Mar 2020	Packing Credit	Short Term	7.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Cash Credit	Long Term	15.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	16.48	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Indian Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Indian Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Indian Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	16.48	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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