

Press Release

Megha Fruit Processing Private Limited

March 08, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	123.81	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	7.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	130.81	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

#Refer Annexure for details *The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A3 plus**) on the Rs.130.81 crore bank facilities of Megha Fruit Processing Private Limited (MFPL).

The rating downgraded is on account of information risk required for review of ratings. The rating is now an indicative rating and is based on the best available information.

About the Company

Megha Fruit Processing Private Limited (MFPL) is a flagship entity of Shankar group (the Group which includes Megha Bottling and Mahima Traders along with MFPL), which is a Karnataka based company incorporated in the year 2003, promoted by Mr. Krishna Sathyashankar. It is engaged in manufacturing of carbonated and pulp mixed soft drinks, fruit drinks, packaged drinking water, potato chips and other namkeen packaged food products.

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 continues to be 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, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

"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

Key Financials:

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

Status of non-cooperation with previous CRA

Brickworks Rating, vide its press release dated June 15, 2021 had denoted the rating of Megha Fruit Processing Private Limited (MFPPL) as 'BWR BB/Stable/A4 (Downgraded; Issuer Not Cooperating)' on account of lack of adequate information required for monitoring of ratings.

Any other information

None

Applicable Criteria

- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entity: <https://www.acuite.in/view-rating-criteria-61.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Dec 2020	Cash Credit	Long Term	60.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	9.73	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	7.00	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	54.08	ACUITE BBB Stable (Reaffirmed)
09 Oct 2019	Term Loan	Long Term	35.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	70.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	17.84	ACUITE BBB Stable (Assigned)
	Proposed Bank Facility	Long Term	10.16	ACUITE BBB Stable (Assigned)
	Letter of Credit	Short Term	7.00	ACUITE A3+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	60.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
State Bank of India	Not Applicable	Term Loan	Not available	Not available	30-11-2024	9.73	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Canara Bank	Not Applicable	Term Loan	Not available	Not available	31-12-2027	54.08	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)

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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 8,850 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 Kanjurmarg, Mumbai.

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