

July 31, 2024

Meru Industries LLP (erstwhile Meru Industries): Continues to remain under issuer Non-Cooperating category, Rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash Credit	3.00	3.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable); ISSUER NOT COOPERATING and continues to remain under the 'Issuer Not Cooperating' category.
Short-term – Non-fund Based	11.00	11.00	[ICRA]A4;ISSUER NOT COOPERATING*; Rating downgraded From [ICRA]A4+; ISSUER NOT COOPERATING and continues to remain under the 'Issuer Not Cooperating' category.
Total	14.00	14.00	

[^]Instrument details are provided in Annexure-I

*Issuer did not cooperate; based on best available information

Rationale

The rating downgrade is attributable to the lack of adequate information regarding Meru Industries LLP (erstwhile Meru Industries) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at www.icra.in. 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.”

As part of its process and in accordance with its rating agreement with Meru Industries LLP (erstwhile Meru Industries), ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities, key financial indicators: [Click Here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Construction
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in 1988, Meru is a partnership firm involved in heavy engineering fabrication and machining components. The firm manufactures machinery for sugar plants and sets up sugar plants on a turn-key basis. Meru is accredited by various Government organizations like National Cooperative Dairy Corporation (NCDC), National Federation of Cooperative Sugar Factories Limited (NFCSE), and Commissioner of Sugar (Government of Maharashtra), for the supply of critical equipment (like toothed roller pressure feeders, grooved roller pressure feeders and crushing mills) and turn-key solutions for sugar and bio-ethanol plants. It is managed by Mr. Sharad Gore, a first-generation entrepreneur with close control over Meru's operations.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2025)			Chronology of rating history for the past 3 years			
		Type	Amount rated (Rs. crore)	Date & rating in	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	
				Jul 31, 2024	May 11, 2023	Nov 16, 2022	Mar 11, 2022	Dec 30, 2021
1	Fund-based facility –Cash credit	Long term	3.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable) ; ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable)	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
2	Non-fund based – Bank guarantee	Short term	11.00	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+;ISSUER NOT COOPERATING	[ICRA]A2; ISSUER NOT COOPERATING	[ICRA]A2	[ICRA]A4+;ISSUER NOT COOPERATING

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based – Cash credit	Simple
Non-fund based – Bank guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based facility – Cash credit	NA	NA	NA	3.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Non-fund based – Bank guarantee	NA	NA	NA	11.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Meru Industries LLP (erstwhile Meru Industries)

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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