

January 17, 2020

Megha Marketing: Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term - Cash Credit	15.00	15.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain in the 'Issuer Not Cooperating' category
Total	15.00	15.00	

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The ratings are downgrade because of lack of adequate information regarding Megha Marketing 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 the rated entity". 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 Megha Marketing, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company

The firm is engaged in the promotion and marketing of products manufactured by Megha Springs Pvt. Ltd, Megha Bottling, Megha Fruit Processing Pvt. Ltd and Mahima Shankar Processed Food Pvt. Ltd., together referred as 'Shankar group' which has more than 30 years of experience in packaged food and beverages industry. The firm has a diversified product mix comprising of bottled fruit juices under the brand 'Sip On', aerated beverages like club soda, soft drinks and packaged drinking water under the brand 'Bindu' and processed food items (mostly potato chips, namkeen, extruded snacks) under the brand 'Snak up'. The firm markets its products in the states of Karnataka, Andhra Pradesh, Kerala, Tamil Nadu, South Maharashtra and some parts of Orissa and Goa. The products are marketed through a widespread distribution network of owned depots and through super stockiest. The firm's financial profile remained moderate in FY2016 with weak margins

and stretched coverage indicators. The operating profitability of the firm declined on account of increase in price of traded goods driven by increase in prices of key raw materials.

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Rating history for past three years

All figures in Rs. crore

S No	Name of Instrument	Type	Current Rating (FY2020)			Rating History for the Past 3 years			
			Rated amount	Amount outstanding	Month-year & Rating	Month- year and Rating in			
						FY2019	FY2018		FY2017
(Rs. crore)		January 17, 2020	October 29, 2018	November 15, 2017	April 05, 2017	January 23, 2017			
1	Cash Credit	Long-term	15.00	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)

*Issuer did not co-operate; based on best available information; All figures in Rs. Crore

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	Type	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	Long-term	-	-	-	15.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*

*Issuer did not co-operate; based on best available information; All figures in Rs. Crore

Source: Megha Marketing

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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