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BWR/BLR/DEL/IRC/VKK/2032/2019-20  
05 Aug 2019

Arvind Goel  
GM (Finance)  
Megastar Foods Ltd.  
# Plot No, 807, Industrial Area, Phase II ,Chandigarh,160002,Chandigarh

Dear Sir/Madam,

Sub: Rating of the Bank Loan Facilities of Megastar Foods Ltd. amounting to Rs. 34.87 Crores (Rupees Thirty Four Crores and Eighty Seven Lakhs Only).

Thank you for giving us an opportunity to undertake the Rating of the Bank Loan facilities sanctioned/proposed to your entity. Based on the information and clarifications provided by you, we are pleased to inform you that Megastar Foods Ltd.bank loan facilities aggregating Rs. 34.87 Crs have been assigned ratings as follows:

Facilities**	Amount(Rs.Crs)	Tenure	Rating*
Fund Based	34.37	Long Term	<b>BWR BBB -</b> (Pronounced as BWR Triple B minus)  (Outlook: Stable)
Non-Fund Based	0.50	Short Term	<b>BWR A3</b> (Pronounced as BWR A Three )
<b>Total</b>	<b>34.87</b>	<b>(Rupees Thirty Four Crores and Eighty Seven lakhs Only)</b>	

\*Please refer to BWR website [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the ratings assigned

\*\*Bank Loan facility details are furnished in Annexure-I

The Ratings are valid for twelve months from the date of this letter subject to terms and conditions that were agreed in your mandate dated March, 25, 2019 and other correspondence, if any, and Brickwork Ratings' standard disclaimer at the end of this letter.

The rated Bank Loan facilities would be under surveillance/review during the said period. You are required to submit information periodically as per Annexure - II for the purpose of surveillance / review. You are also required to keep us informed of any information / development that may affect your Company's finances / performance without any delay. You are also requested to submit No Default Statement on monthly basis.



**Brickwork Ratings India Pvt. Ltd.**

C/501-502, Business Square, 151 Andheri-Kurla Road, Opposite: Apple Heritage Building, Chakala, Andheri (East), Mumbai - 400 093.

Phone: +9122 2831 1426 / 39, +9122 6745 6666 • Fax: +91 22 2838 9144 • 1-860-425-2742 | [info@brickworkratings.com](mailto:info@brickworkratings.com) • [www.brickworkratings.com](http://www.brickworkratings.com)

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We are also enclosing the Rating Rationale. Please let us have your acceptance of the Rating and the Rating Rationale within five days of this letter. Please note that unless acceptance is conveyed to us, the rating is not valid and should not be used for any purpose whatsoever.

Best Regards,



V.K.Kukreja  
Associate Director - Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web - site. Interested persons are well advised to refer to our website [www.brickworkratings.com](http://www.brickworkratings.com) ,If they are unable to view the rationale, they are requested to inform us on [brickworkhelp@brickworkratings.com](mailto:brickworkhelp@brickworkratings.com).

#### DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

#### ANNEXURE-I

Name of the Bank	Facilities	Tenure	Amount (Rs.Crs)
Union Bank Of India	Fund Based	Long Term (CC+TL)	34.37
	Non-Fund Based	Short Term	0.5
TOTAL			34.87

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#### ANNEXURE-II

The following documents/ information should be submitted to BWR:

1. Confirmation from the Company that all the terms and conditions stipulated in the Bank's Term loan sanction letter has been fully complied with.
2. Certified copy of periodical book debts/bills receivables statements submitted to the bank.
3. Confirmation about payment of installment and interest as and when paid.
4. Schedule of Term Loan installments and Interest due and payment made so far.
5. Certified copy of Quarterly Information Statements (QIS) and Half Yearly Information Statements (HYIS) submitted to the bank.
6. Certified copy of Banks' Statements of Accounts on a quarterly basis.
7. Quarterly / Half yearly financial statements (unaudited or with limited review) and Annual financial statements (provisional as well as audited).
8. Information on delays/defaults in servicing bank loans, letters of credit, letters of guarantee, NCDs, bonds and other borrowings, if any, by the Company as at the end of each month by 1st of succeeding month.
9. Information on delays / defaults in servicing of debt obligations of any subsidiary / other group companies, if any, as at the end of each month by 1st of succeeding month.
10. Any other statement / information sought by BWR from time to time.
11. All the aforesaid information shall be mailed to [dat@brickworkratings.com](mailto:dat@brickworkratings.com)



### **Brickwork Ratings India Pvt. Ltd.**

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