

Press Release

Manpasand Beverages Limited

June 4, 2019

Ratings

| Sl. No. | Instrument/Facility | Amount (Rs. Crores) | Rating Assigned | Rating Action |
|---------|--------------------------------------|---------------------|---|---------------|
| 1. | Proposed Long Term Fund Based Limits | 100.00 | IVR A-/Stable Outlook (IVR A Minus with Stable Outlook) | Withdrawn |
| 2. | Proposed Long Term Debt – Term Loan | 150.00 | IVR A-/Stable Outlook (IVR A Minus with Stable Outlook) | |
| | Total | 250.00 | | |

Details of Facilities are in Annexure 1

Infomerics Valuation and Rating Pvt. Ltd has withdrawn the rating of **IVR A- with Stable Outlook (IVR A Minus with Stable Outlook)** assigned to the proposed bank facilities aggregating Rs.250.00 crore of Manpasand Beverages Limited. The rating has been withdrawn at the request of the company and based on the fact that the company has not availed any of the proposed bank facilities.

Detailed Rationale

The rating is withdrawn in accordance with Infomerics’ policy on withdrawal and as requested by the company.

Analytical Approach & Applicable Criteria:

Policy on withdrawal

About the Company

Manpasand Beverages Limited (MBL) was promoted by Mr. Dharendra Singh, a first generation entrepreneur in 1997. Manpasand Beverages Limited is a fruit beverage manufacturing company, based out of Gujarat. The company has been in operation for over two decades and has a strong presence in tier II and rural markets of the country. The entity

started its operation with the fruit drink named “Mango Sip” in 1997 and since then has launched various drinks over the years. Mr. Dharendra Singh is the Chairman & Managing Director of the company. Initially, the entity started its operations of manufacturing fruit beverages under a proprietorship firm in the name of Manpasand Agro Food. The constitution of the entity was changed from a proprietorship firm to a private limited company in 2011. The constitution was further changed to a public limited company in 2014. The company was listed on stock exchange in 2015. The company has undertaken massive capital expenditure in the past 3-4 years to cater to the growing demand of fruit beverages in the country. The company already has seven operational facilities (three at Vadodara, two at Varanasi and one each in Dehradun & Ambala). The company is presently undertaking capex of ~Rs.220 crore this fiscal to set-up two additional facilities. The company entered into a joint distribution network with Parle Products Pvt. Ltd. in 2017 to expand the reach of MBL’s products in the rural and semi-urban markets. The products of the company are sold in over 20 states across the country.

Status of non-cooperation with previous CRA: Not applicable

Any other information: The Office of the Commissioner, Central GST & Customs, Vadodara vide press release dated May 24, 2019 informed that they have arrested top management of Manpasand Beverages Limited on May 23, 2019, in connection with availing fraudulent credit and committing tax evasion to the tune of Rs.40 crore. Further investigation on this matter is under process. As indicated by the management, they are contesting these allegations in the court of law and the proceedings are ongoing.

Rating History for last three years:

| Sl. No. | Name of Instrument/ Facilities | Current Rating (Year 2019-20) | | | | Rating History for the past 3 years | | |
|---------|--------------------------------|-------------------------------|--------------------------------|-----------------------------------|---------------------------------------|---|---|---|
| | | Type | Amount outstanding (Rs. crore) | Rating | Date (s) & Rating assigned in 2019-20 | Date(s) & Rating(s) assigned in 2018-19 | Date(s) & Rating(s) assigned in 2017-18 | Date(s) & Rating(s) assigned in 2016-17 |
| 1. | Proposed Term Loan | Long Term | 150.00 | IVR A-/Stable Outlook (Withdrawn) | IVR A-/Stable Outlook (May 20, 2019) | -- | -- | -- |
| 2. | Proposed Cash Credit | Long Term | 100.00 | IVR A-/Stable Outlook (Withdrawn) | IVR A-/Stable Outlook (May 20, 2019) | -- | -- | -- |

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

| Name of Facility | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|----------------------|------------------|------------------|---------------|------------------------------|-----------------------------------|
| Proposed Cash Credit | -- | -- | -- | 100.00 | IVR A-/Stable Outlook (Withdrawn) |
| Proposed Term Loan | -- | -- | -- | 150.00 | IVR A-/Stable Outlook (Withdrawn) |