



Press Release

Melzer Chemicals Private Limited

September 28, 2023

Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	42.04	IVR BB+; Negative Outlook: ISSUER NOT COOPERATING * (IVR Double B Plus with Negative Outlook: ISSUER NOT COOPERATING *)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	15.00	IVR A4+: ISSUER NOT COOPERATING * (IVR A Four Plus: ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Total	57.04	Rupees Fifty Seven crore and Four lakh only		

**ISSUER DID NOT COOPERATE; based on best available information.*

Details of Facilities are in Annexure 1

Detailed Rationale:

The rating revision is because of lack of adequate information regarding Melzer Chemicals Private Limited(MCPL) reflects lack of adequate information available about the performance of the company and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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 rating revision.

Non-cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated May 4th, 2023, May 26th, 2023, June 09th, 2023, June 15th, 2023, June 22nd, 2023. July 11th, 2023, July



Press Release

31st, 2023, August 07th, 2023, August 10th, 2023, August 28th, 2023, September 13th, 2023, and September 19th, 2023 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the bank loan ratings aggregating to INR 57.04 Crore of Melzer Chemicals Private Limited shall be continued in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+;Negative/IVR A4+; ISSUER NOT COOPERATING; based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria for rating outlook](#)

About the Company:

Melzer Chemicals Private Limited(MCPL), established in the year 1999, manufactures biocide chemicals meant for industrial and household usage. Apart from these, MCPL also manufactures few specialized products for usage in Oil and Gas sector and pharmaceutical sector. The company is promoted and managed by Mr. Sunil Balkrishna Shinde and Mr. Chandrasen Ghatge.

Financials: Standalone

For the year ended / INR. Crore*	31-03-2020	31-03-2021	31-03-2022
	Audited	Audited	Provisional
Total Operating Income	94.22	125.05	144.29
EBITDA	11.92	17.16	19.11
PAT	5.44	8.88	10.28
Total Debt	16.90	25.91	38.71
Tangible Net Worth	25.60	34.48	44.83
Ratios			
EBITDA Margin (%)	12.66	13.72	13.24



Press Release

PAT Margin (%)	5.66	6.99	7.04
Overall Gearing Ratio (x)	0.66	0.75	0.86

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: India Ratings vide its press release dated July 24, 2023, has continued to classify the case under Issuer Not Co-operating category on account of non-submission of relevant information.

Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument /Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23(July 21, 2022)	Date(s) & Rating(s) assigned in 2021-22(January 28, 2022)	Date(s) & Rating(s) assigned in 2020-21(November 2020)
1.	Term Loan	Long Term	18.04	IVR BB+; Negative Outlook: ISSUER NOT COOPERATING *	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB-/ Positive (PR dated November 12, 2020) IVR BBB-/ Positive (PR dated November 24, 2020)
2.	Proposed Long Term Bank Facility – Fund Based – Term Loan	Long Term	-	-	-	-	IVR BBB-/ Positive (PR dated November 24, 2020)
3	Cash Credit	Long Term	24.00	IVR BB+; Negative Outlook: ISSUER NOT COOPERATING *	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB-/ Positive (PR dated November 12, 2020) IVR BBB-/ Positive (PR dated



Press Release

							November 24, 2020)
4	Proposed Long Term Facility – Fund Based – Cash Credit	Long Term	-	-	-	-	IVR BBB-/ Positive (PR dated November 24, 2020)
5	Letter of Credit	Short Term	15.00	IVR A4+: ISSUER NOT COOPERATING*	IVR A3+	IVR A3+	IVR A3 (PR dated November 12, 2020) IVR A3 (PR dated November 24, 2020)
6	Proposed Short Term Facility – Non Fund Based – Letter of Credit	Short Term	-	-	-	-	IVR A3 (PR dated November 24, 2020)

**ISSUER DID NOT COOPERATE; based on best available information*

Name and Contact Details of the Rating Analyst:

Name: Mr. Amit Bhuwania

Tel: (022) 62396023

Email: abhuwania@infomerics.com



Press Release

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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 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.



Press Release

Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Term Loan	--	--	July 2029	18.09	IVR BB+; Negative Outlook: ISSUER NOT COOPERATING *
Cash Credit	--	--	-	24.00	IVR BB+; Negative Outlook: ISSUER NOT COOPERATING *
Letter of Credit	-	-	-	15.00	IVR A4+; ISSUER NOT COOPERATING *

**ISSUER DID NOT COOPERATE; based on best available information*

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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