



## Press Release

### Melzer Chemicals Private Limited (MCPL)

**November 04, 2024**

#### Ratings:

Instruments / Facilities	Amount (INR Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Facilities	42.04	IVR BB/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BB+/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Downgraded & continued in ISSUER NOT COOPERATING Category	Simple
Short Term Facilities	15.00	IVR A4/ ISSUER NOT COOPERATING* (IVR A Four, ISSUER NOT COOPERATING*)	IVR A4+/ ISSUER NOT COOPERATING* (IVR A Four Plus, ISSUER NOT COOPERATING*)	Downgraded & continued in ISSUER NOT COOPERATING Category	Simple
<b>Total</b>	<b>57.04</b> <b>Rupees Fifty-Seven crore and Four lakh only</b>				

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

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale:

The downgrade of the ratings assigned to the bank facilities of 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 downgrade.



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### **Non-cooperation by Issuer:**

Infomerics has repeatedly followed up with the company to provide information to monitor the ratings vide emails last being dated 24<sup>th</sup> October 2024, along with telephonic conversations. 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 ISSUER NOT COOPERATING' for long term facilities and 'IVR A4 ISSUER NOT COOPERATING' for short term facilities; based on best available information.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

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

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

### **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)\*:**

(INR crore)



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For the year ended* / As on	31-03-2021	31-03-2022
	Audited	Provisional
Total Operating Income	125.05	144.29
EBITDA	17.16	19.11
PAT	8.88	10.28
Total Debt	25.91	38.71
Tangible Net Worth	34.48	44.83
EBITDA Margin (%)	13.72	13.24
PAT Margin (%)	6.99	7.04
Overall Gearing Ratio (x)	0.75	0.86
Interest Coverage (x)	8.28	6.48

\*Classification as per Infomerics' standards

### Status of non-cooperation with previous CRA:

India ratings has continued to classify the rating as ISSUER NOT COOPERATING category vide PR dated July 14<sup>th</sup>, 2024 on account of non-availability of information and lack of cooperation from the client.

**Any other information: None**

### Rating History for last three years:

Sr. No	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Date (September 28, 2023)	Date (July 21, 2022)	Date (January 28, 2022)
1.	Term Loan	Long Term	18.04	IVR BB/ Negative, ISSUER NOT COOPERATING	IVR BB+/ Negative; ISSUER NOT COOPERATING	IVR BBB/ Stable	IVR BBB/ Stable
2.	Cash Credit	Long Term	24.00	IVR BB/ Negative, ISSUER NOT COOPERATING	IVR BB+/ Negative; ISSUER NOT COOPERATING	IVR BBB/ Stable	IVR BBB/ Stable



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3.	Letter of Credit	Short Term	15.00	IVR A4/ ISSUER NOT COOPERATING	IVR A4+: ISSUER NOT COOPERATING	IVR A3+	IVR A3+
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*\*ISSUER DID NOT COOPERATE; based on best available information*

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### 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](http://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



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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: Facility Details

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, ISSUER NOT COOPERATING
Cash Credit	-	-	-	24.00	IVR BB/ Negative, ISSUER NOT COOPERATING
Letter of Credit	-	-	-	15.00	IVR A4/ ISSUER NOT COOPERATING

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

**Annexure 2: Facility wise lender details:** Not Applicable

**Annexure 3: Detailed explanation of covenants of the rated facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/combined analysis:** 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](http://www.infomerics.com)