

Press Release

Melzer Chemicals Private Limited

June 24, 2019



Rating Withdrawn

Total Bank Facilities Rated*	Rs. 20.50 Cr.
Long Term Rating	ACUITE BB+ (Withdrawn)
Short Term Rating	ACUITE A4+ (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE BB+** (read as ACUITE double B plus) and short term rating of '**ACUITE A4+** (read as ACUITE A four plus) on the Rs. 20.50 crore bank facilities of Melzer Chemicals PRIVATE LIMITED (MCPL).

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Incorporated in 1994, the company is promoted by Mr. Sunil Shinde and engaged in manufacturing of specialty chemicals. Their products include biocides, preservatives and other specialty chemicals used in a wide variety of industrial products and applications. Their products are used in multiple industries including Water treatment, Paints, Oil and Gas to name a few. They have their customers in both domestic and international markets including countries in the Middle East, Europe, South East Asia, Africa and America. They are utilising 70 per cent of their existing capacity and plan to increase sales with additional utilisation and capacity.

Analytical Approach

Acuité has considered the standalone financial and business risk profiles of MCPL to arrive at the rating.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	69.16	48.45	60.03
EBITDA	Rs. Cr.	6.67	5.08	8.12
PAT	Rs. Cr.	2.15	0.81	(0.89)
EBITDA Margin	(%)	9.65	10.48	13.68
PAT Margin	(%)	3.11	1.67	(1.48)
ROCE	(%)	15.68	13.27	49.10
Total Debt/Tangible Net Worth	Times	1.13	1.05	0.87
PBDIT/Interest	Times	3.56	2.17	3.87
Total Debt/PBDIT	Times	2.95	3.11	1.53
Gross Current Assets (Days)	Days	198	209	186

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
06-Jun-2019	Cash Credit	Long Term	10.00	ACUITE BB+/ Stable (Reaffirmed)
	Term Loan	Long Term	5.50	ACUITE BB+/ Stable (Reaffirmed)
	Bank guarantee	Short Term	5.00	ACUITE A4+ (Reaffirmed)
06-Oct-2018	Cash Credit	Long Term	10.00	ACUITE BB+ Issuer not cooperating*
	Term Loan	Long Term	5.50	ACUITE BB+ Issuer not cooperating*
	Bank guarantee	Short Term	5.00	ACUITE A4+ Issuer not cooperating*
07-Apr-2017	Cash Credit	Long Term	10.00	ACUITE BB+ Issuer not cooperating*
	Term Loan	Long Term	5.50	ACUITE BB+ Issuer not cooperating*
	Bank guarantee	Short Term	5.00	ACUITE A4+ Issuer not cooperating*

*The issuer did not co-operate; based on best available information.

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE BB+ (Withdrawn)
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ (Withdrawn)

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About Acuité Ratings & Research:

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