

Press Release

Mel Systems and Services Limited

November 12, 2018

Rating Update



Total Bank Facilities Rated	Rs. 20.00 Cr. #
Long Term Rating	ACUITE B+ Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

Refer Annexure for details

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

Acuite has reviewed long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) to the Rs. 20.00 crore bank facilities of Mel Systems and Services Limited (MELSS). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-40.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

Mel Systems And Services Limited (MELSS), a Tamil Nadu-based company was incorporated in 1990. The company is engaged in the manufacturing of automated testing equipments and provides industrial automation services, repair solutions to several industries including defence, telecommunication and electronics. MELSS is headed by Mr. N. Ramachandran (Director) who possesses experience of over a decade in the business of electronics and IT Solutions.

For FY2016-17 (Provisional), Mel Systems and Services Limited reported Profit after Tax (PAT) of Rs.1.62 crore on operating income of Rs.21.45 crore as compared to net loss of Rs.3.26 crore on operating income of Rs.15.85 crore in FY2015-16. The net worth stood at Rs.8.41 crore as on 31 March, 2017 (Provisional) as against Rs.6.80 crore a year earlier.

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

None

Any other information:

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
09-June-2016	Cash Credit	Long Term	9.00	ACUITE B+/Stable (Assigned)
	Term Loan	Long Term	2.00	ACUITE B+/Stable (Assigned)
	Bank Guarantee	Short Term	4.00	ACUITE A4 (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Assigned)
09-Aug-2017	Cash Credit	Long Term	9.00	ACUITE B+ Issuer not co-operating*
	Term Loan	Long Term	2.00	ACUITE B+ Issuer not co-operating*
	Bank Guarantee	Short Term	4.00	ACUITE A4 Issuer not co-operating*
	Bank Guarantee	Short Term	5.00	ACUITE A4 Issuer not co-operating*
09-Nov-2017	Cash Credit	Long Term	4.00	ACUITE B+/Stable (Reaffirmed)
	Term Loan	Long Term	1.25	ACUITE B+/Stable (Reaffirmed)
	Letter of Credit	Short Term	4.50	ACUITE A4 (Reaffirmed)
	Bank guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A4 (Reaffirmed)
	Proposed Cash Credit	Long Term	2.63	ACUITE B+/Stable (Assigned)
	Proposed Bank Guarantee	Short Term	2.62	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE B+ Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4 Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.63	ACUITE B+ Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.62	ACUITE A4 Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
<p>Srihari Adari Head - Corporate and Infrastructure Sector Ratings Tel: 040-40042327 srihari.adari@acuite.in</p> <p>Bhavani Sankar Oruganti Senior Analyst - Rating Operations Tel: 040-40055452 bhavanisankar.oruganti@acuiteinratings.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.