

## Press Release

### Mel Systems and Services Limited

July 18, 2022



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	12.12	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	7.88	ACUITE B+   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	20.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B Plus**) and the short-term rating of '**ACUITE A4**' (read as **ACUITE A Four**) on the Rs. 20.00 crore bank facilities of Mel Systems and Services Limited (MELSS). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

### About the Company

Mel Systems and Services Limited (MELSS), is a Tamil Nadu-based company, 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.

### 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

### 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 endeavored to gather

information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

### Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

### Material Covenants

Not Applicable

### Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

### Outlook

Not Applicable

### Status of non-cooperation with previous CRA

None

### Any other information

The rated entity has not shared the latest financial statements despite repeated requests.

### Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

### Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Apr 2021	Proposed Bank Guarantee	Short Term	2.62	ACUITE A4 (Issuer not co-operating*)
	Letter of Credit	Short Term	4.50	ACUITE A4 (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	2.63	ACUITE B+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	1.25	ACUITE B+ (Issuer not co-operating*)

	Cash Credit	Long Term	4.00	ACUITE B+ (Issuer not co-operating*)
24 Jan 2020	Cash Credit	Long Term	4.00	ACUITE B+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	2.62	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	1.25	ACUITE B+ (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	2.63	ACUITE B+ (Issuer not co-operating*)
	Letter of Credit	Short Term	4.50	ACUITE A4 (Issuer not co-operating*)
12 Nov 2018	Cash Credit	Long Term	4.00	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	1.25	ACUITE B+ (Issuer not co-operating*)
	Letter of Credit	Short Term	4.50	ACUITE A4 (Issuer not co-operating*)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	2.63	ACUITE B+ (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	2.62	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	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)
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*)
		Short		ACUITE A4 (Issuer not co-operating*)
	Bank Guarantee	Term	4.00	ACUITE A4 (Issuer not co-operating*)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Issuer not co-operating*)
07 Jun 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	5.00	ACUITE A4 (Assigned)
	Bank Guarantee	Short Term	4.00	ACUITE A4 (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4   Reaffirmed   Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE B+   Reaffirmed   Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE A4   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.62	ACUITE A4   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.63	ACUITE B+   Reaffirmed   Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.25	ACUITE B+   Reaffirmed   Issuer not co-operating*

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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