

Press Release
MELCO INDIA PRIVATE LIMITED
January 22, 2024



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB+ Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	117.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	127.00	-	-

Rating Rationale

Acuite has reaffirmed the long term rating of 'ACUITE BB+' (read as ACUITE double B Plus) and the short-term rating of 'ACUITE A4+' (read as ACUITE A four plus) on the Rs. 127.00 crore bank facilities of Melco India Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Incorporated in 1995, Haryana based Melco India Private Limited is engaged in turnkey execution of ash handling systems, mill reject systems and pollution control systems for thermal power plants, manufacturing and supplying equipment for these systems and their maintenance services. The company is promoted by Mr. V.K. Malik and Mr. Sandhir Malik. Earlier, the business was carried on as a partnership firm in the name of Melco Precisions since 1971. In the year 2019, the company shifted its business model to air pollution control systems from mere ash handling systems and has tied-up with international players such as United Conveyor Corporation (UCC), USA and Rafako, Poland.

Unsupported Rating

None

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 non-cooperation 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, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit

rating is based.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	67.33	61.07
PAT	Rs. Cr.	3.07	2.38
PAT Margin	(%)	4.56	3.89
Total Debt/Tangible Net Worth	Times	0.47	0.50
PBDIT/Interest	Times	3.29	2.21

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Oct 2022	Bank Guarantee	Short Term	10.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	44.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE BB+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	25.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	18.00	ACUITE A4+ (Issuer not co-operating*)
28 Jul 2021	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	25.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	18.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	10.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	44.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
13 May 2020	Cash Credit	Long Term	4.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee	Short Term	10.00	ACUITE A3+ (Assigned)
	Bank Guarantee	Short Term	18.00	ACUITE A3+ (Assigned)
	Bank Guarantee	Short Term	20.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	6.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee	Short Term	25.00	ACUITE A3+ (Assigned)
	Bank Guarantee	Short Term	44.00	ACUITE A3+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Axis Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	44.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Standard Chartered Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	18.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Yes Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	25.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Indusind Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
Axis Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	6.00	ACUITE BB+ 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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