

February 24, 2020

Meltroll Engineering Private Limited: continues to remain under 'Issuer Not Cooperating' category, Ratings downgraded based on best available information

Summary of Rated Instrument:

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund based Cash Credit	2.00	2.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and Continues to remain under 'Issuer Not Cooperating' category.
Long-term – Non fund-based	4.02	4.02	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and Continues to remain under 'Issuer Not Cooperating' category.
Short-term – Fund based	6.50	6.50	[ICRA]A4 ISSUER NOT COOPERATING*; Rating Continues to remain under 'Issuer Not Cooperating' category.
Total	12.52	12.52	

**Issuer did not cooperate; based on best available information.*

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Meltroll Engineering Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". 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 downgrade.

As part of its process and in accordance with its rating agreement with Meltroll Engineering Private Limited. ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

About the company:

Meltroll Engineering Private Limited (MEPL or the company) manufactures stainless steel (SS) bright bars from SS wire rods. The company mainly deals in 300 and 400 series of bright bars. MEPL has an installed capacity of 6000 metric tons per annum (MTPA) at its manufacturing facility located at Rabale, Navi Mumbai. The promoter Mr. V. P. Sharma ventured into SS bright bar trading through a proprietary firm in 1989. The promoter's sons Mr. Kunal Sharma and Mr. Kapil Sharma joined the business in 1991 and are actively involved in day-to-day operations of the company.

The previous detailed rating rationale is available on the following link: [Click here](#)

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	29.48	36.81
PAT (Rs. crore)	0.14	0.11
OPBDIT/ OI (%)	3.67%	1.53%
RoCE (%)	17.32%	5.22%
Total Debt/ TNW (times)	1.87	1.23
Total Debt/ OPBDIT (times)	7.60	9.66
Interest Coverage (times)	1.20	1.27
NWC/ OI (%)	38%	24%

Source:MCA

Rating history for past three years

All figures in Rs. Crore

S. No	Instrument	Current Rating (FY2020)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					24-Feb-2020	29-Nov-2018	19-May-2017	12-Apr-2016
1	Cash Credit	Long Term	2.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB (Stable)
2	Bank Guarantee	Long Term	4.02	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable); ISSUER NOT COOPERATING	[ICRA]BB- (Stable)	[ICRA]BB (Stable)
3	Packing Credit	Short Term	3.25	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA] A4	[ICRA] A4
4	Bill Discounting	Short Term	3.25	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA] A4	[ICRA] A4
5	Letter of Credit	Short Term	-	-	-	-	-	[ICRA] A4

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	2.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Bank Guarantee	NA	NA	NA	4.02	[ICRA]B+(Stable) ISSUER NOT COOPERATING
NA	Packing Credit	NA	NA	NA	3.25	[ICRA]A4 ISSUER NOT COOPERATING
NA	Bill Discounting	NA	NA	NA	3.25	[ICRA]A4 ISSUER NOT COOPERATING

Source: Meltroll Engineering Private Limited.

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About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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