

**Melstar Information Technologies Limited** (Revised)

July 13, 2021

**Ratings**

Facilities / Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	14.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	3.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Facilities</b>	<b>17.00</b> <b>(Rs. Seventeen Crore Only)</b>		

*Details of instruments/facilities in Annexure I*
**Detailed Rationale & Key Rating Drivers**

CARE had, vide its press release dated June 2, 2020, placed the rating(s) of Melstar Information Technologies Limited. (MITL) under the 'issuer non-cooperating' category as MITL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. MITL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 18, 2021 and May 3, 2021 among others.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

**Detailed description of the key rating drivers**

Please refer to PR dated [June 2, 2020](#)

**Analytical approach:** Standalone

**Applicable Criteria:**

[Policy in respect of Non-cooperation by issuer](#)

**About the Company**

Incorporated in the year 1986, Melstar Information Technologies Limited (MITL), is an ISO 9001:2008, ISO 14001:2004, ISO 27001:2013 and SEI-CMM Level III certified software service company providing IT solutions and skilled manpower catering to Banking, Insurance, IT and Government sectors. Headquartered out of its Mumbai office, MITL also operates branch offices in Bangalore, Chennai, Hyderabad, Gurgaon and Kolkata. The company caters to a reputed clientele.

Attribute ID	Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
12	Total operating income	4.82	11.13
29	PBILDT	-4.16	-4.45
47	PAT	-0.10	-4.65
1090	Overall gearing (times)	2.14	-0.85
1095	Interest coverage (times)	-4.81	-16.12

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

A: Audited

**Status of non-cooperation with previous CRA:** Issuer not cooperating, based on best-available information; Rating reaffirmed to CRISIL D Issuer not cooperating' as on March 31, 2021.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	5.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Bank Overdraft	-	-	-	9.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	3.00	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Cash Credit	LT	5.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (02-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (23-Apr-19)	-
2.	Fund-based - LT-Bank Overdraft	LT	9.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (02-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (23-Apr-19)	-
3.	Non-fund-based - ST-BG/LC	ST	3.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (02-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (23-Apr-19)	-

\*Issuer did not cooperate; Based on best available information

**Annexure 3: Complexity level of various instruments rated for this Firm**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Bank Overdraft	Simple
2.	Fund-based - LT-Cash Credit	Simple
3.	Non-fund-based - ST-BG/LC	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

**Media Contact**

Mradul Mishra

Contact No. – +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

**Analyst Contact**

Ms. Ruchi Sanghavi

Contact No. – +91-22-67543554

Email: [ruchi.shroff@careratings.com](mailto:ruchi.shroff@careratings.com)

**Relationships Contact**

Mr. Ankur Sachdeva

Cell: + 91 98196 98985

E-mail: [ankur.sachdeva@careratings.com](mailto:ankur.sachdeva@careratings.com)

Mr. Saikat Roy

Cell: + 91 98209 98779

E-mail: [saikat.roy@careratings.com](mailto:saikat.roy@careratings.com)

**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

**Disclaimer**

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**