

March 30, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	7.75	SMERA B-/Stable (Assigned)
Letter of Guarantee	2.01	SMERA A4 (Assigned)

SMERA has assigned a long-term rating of '**SMERA B-**' (**read as SMERA single B minus**) and a short-term rating of '**SMERA A4**' (**read as SMERA A four**) to the Rs.9.76 crore bank facilities of Marshall Corporation Limited (MCL). The outlook is '**Stable**'. The ratings are constrained by the company's small-scale operations and high dependence on the infrastructure and power industry. The ratings are also constrained by the company's weak liquidity position. The aforementioned weaknesses are partially offset by the company's comfortable coverage indicators and experienced management.

MCL, incorporated in 1984, is a Kolkata-based company engaged in trading and export of fly ash and classified fly ash. MCL also provides transportation services. The company has small-scale operations marked by total income of Rs.17.32 crore in FY2013-14 (refers to financial year, April 01 to March 31). MCL's business is susceptible to cyclicalities in the end-user industries viz. power and infrastructure. The company has a weak liquidity position on account of stretched collection period of 182 days in FY2013-14. MCL's cash credit utilisation was high at ~97 per cent during August 2014 to January 2015. The company's drawing power (for cash credit facility) is limited to Rs.5.50 crore, against sanctioned limit of Rs.7.75 crore.

MCL's interest coverage ratio is comfortable at 1.78 times in FY2013-14. The company benefits from its experienced management. The directors of MCL have around two decades of experience in the company's line of business.

Disclaimer: A SMERA 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. SMERA 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, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA 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. SMERA 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.smera.in) for the latest information on any instrument rated by SMERA.

Outlook: Stable

SMERA believes MCL will maintain a stable business risk profile over the medium term. The outlook may be revised to 'Positive' in case the company registers strong growth in revenue while achieving sustained improvement in profitability and liquidity position. The outlook may be revised to 'Negative' in case of decline in the company's revenue, or in case of stretch in the company's working capital cycle.

About the company

MCL, incorporated in 1984, is a Kolkata-based company promoted by Mr. Birpal Singh. MCL was established to take over the running business of 'Marshall Corporation', a partnership firm set up in 1971. MCL is engaged in trading and export of fly ash and classified fly ash. The company also provides transportation services. MCL mainly exports to Bangladesh.

For FY2013-14, MCL reported net profit of Rs.0.26 crore on operating income of Rs.17.32 crore, as compared with net profit of Rs.0.13 crore on operating income of Rs.18.16 crore in FY2012-13. The company's net worth stood at Rs.6.73 crore as on March 31, 2014, as compared with Rs.6.47 crore a year earlier.

Media / Business Development	Analytical Contacts	Rating Desk
Antony Jose Vice President – Business Development, Mid Corporate Tel: +91-22-6714 1191 Cell: +91 9820802479 Email: antony.jose@smera.in	Shripad Nande Manager – Corporate Ratings Tel: +91-22-6714 1329 Email: shripad.nande@smera.in	Tel: +91-22-6714 1170 Email: ratingdesk@smera.in

Disclaimer: A SMERA 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. SMERA 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, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA 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. SMERA 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.smera.in) for the latest information on any instrument rated by SMERA.