

Press Release

Marvellous Intra Private Limited

D-U-N-S® Number: 85-897-3095

December 17, 2018

Rating Assigned



Total Bank Facilities Rated*	Rs. 10.00 Cr.
Long Term Rating	ACUITE B / Outlook: Stable
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B**' (read as **ACUITE B**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 10.00 crore bank facilities of Marvellous Intra Private Limited. The outlook is '**Stable**'.

Marvellous Intra Private Limited (MIPL), established in 1995, is a private limited firm based out of Kolkata. MIPL is engaged in establishing residential complexes and has also started import-export business of iron & related materials since November, 2017. MIPL is managed by Mr. Gopal Kumar Agarwal, Ms. Urmila Devi Agarwal and Mr. Rahul Agarwal. MIPL has completed one project in the year 2013 which was located at Raniganj under the name of 'Marvellous Residency'. The residential complex consisted of 44 flats and a saleable area of 49179 sq.ft. MIPL has an on-going project in the same locality with a saleable area of 95272 sq.ft., consisting of 84 flats. The project was started in the month of September 2017 with an estimated cost of Rs.17.25 Cr. The project is on-going and likely to be completed in the year 2021.

Analytical Approach

For arriving at the ratings, Acuité has considered standalone business and financial risk profile of Marvellous Intra Private Limited (MIPL).

Key Rating Drivers

Strengths

• Experienced management

MIPL was established in 1995 by Mr. Gopal Kumar Agarwal, Ms. Urmila Devi Agarwal and Mr. Rahul Agarwal. The promoters of the company have extensive experience in iron and steel industry apart from real-estate business. Through various group companies, the promoters have been running the business of manufacturing sponge iron, mild-steel strips, galvanized pipes, bars, rods and tubes. Acuité believes that MIPL shall be able to leverage on the long-standing experience of the promoters.

• Moderate Financial Risk profile

MIPL has moderate financial risk profile marked by net worth of Rs. 4.49 Cr as on 31 March, 2018 as against Rs.3.93 Cr as on 31 March, 2017. The gearing stood moderate at 1.70 times as on 31 March, 2018 as against 0.64 times as on 31 March, 2017. The total debt of Rs.7.62 Cr outstanding as on 31 March, 2018 comprises Rs.2.51 Cr as unsecured loans from related parties and directors. MIPL does not have any long term debt apart from unsecured loans.

Weaknesses

• Initial stage of the import-export business & small scale of operations

MIPL has been engaged in the import-export business since November, 2017, and the scale of operations at which the company is operating currently is small. MIPL has booked a revenue of Rs.7.54 Cr from the sale of traded goods for FY18. The ability of the company to scale up the trading business and at the same time the ability of MIPL to sell flats would be key monitorable.

• **Profitability remains susceptible to fluctuations in raw material prices**

The profit margins are exposed to fluctuations in raw material prices as they are imported from Hong Kong & Singapore & sold to units in India. At the same time materials are purchased from Indian units sold to countries like Nepal. The profitability remains susceptible to the foreign exchange fluctuations & further, pricing flexibility is also minimal considering the large number of players in the industry.

Outlook: Stable

Acuite believes the outlook on SEI rated facilities will remain stable over the medium term Experienced management and its diversified customer base. The outlook may be revised to 'Positive' if there is increase in scale of operation with improving financial risk profile. Conversely, the outlook may be revised to 'Negative' if financial risk profile of the company deterioration in financial risk profile .

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	8.01	0.10	0.38
EBITDA	Rs. Cr.	1.28	0.08	0.11
PAT	Rs. Cr.	0.56	-0.15	-0.11
EBITDA Margin	(%)	15.95	75.97	27.89
PAT Margin	(%)	7.02	-143.10	-29.90
ROCE	(%)	12.54	1.65	3.74
Total Debt/Tangible Net Worth	Times	1.70	0.64	0.56
PBDIT/Interest	Times	2.60	0.56	0.65
Total Debt/PBDIT	Times	6.46	17.96	14.95
Gross Current Assets (Days)	Days	519	1352	527

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B / Stable
Letter of credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A4

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About Acuité Ratings & Research:

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