

Moneymart Securities Private Limited

August 20, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Non Convertible Debentures	55.00	CARE BB-; Stable	Rating removed from ISSUER NOT COOPERATING category and Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the non-convertible debentures of Moneymart Securities Private Ltd (MSPL) continues to factor in MSPL's experienced management; resourceful promoters and operational track record of over two decades. The rating factors in continuous support from the promoter Mr Mahesh Babani by way of capital infusion. Further, the loan portfolio for FY24 stood at Rs 125.77 crore (FY23: Rs 112.35 crore) with nil NPA's as on March 31, 2024. However, the rating is constrained by asset concentration with small scale of operations.

The rating is further constrained due to MSPL's dependency on group companies to raise funds. In the absence of steady cash flows, MSPL's future liquidity position shall be impacted if MSPL faces any challenge in raising resources in a timely manner. Going forward the company's ability to diversify its resource mix at low cost, improvement in liquidity buffer and resultant impact on profitability will be key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in liquidity buffer and profitability on a sustained basis.
- Increase in scale of operations
- Diversification in the product profile.

Negative factors

- Deterioration in profitability leading to sustained losses
- Challenges in raising funds commensurate with its near-term business requirements. Any challenges in attracting capital may impede the growth plans
- Stance on key investors in equity infusion

Analytical approach: Standalone

CARE Ratings has considered the standalone profile of MSPL.

Outlook: Stable

CARE Ratings believes that MSPL will maintain a "Stable" outlook over the near to medium term owing to the benefit with respect to the capital support derived from the promoters.

Detailed description of the key rating drivers:

Key weaknesses

Asset concentration within group companies

MSPL has invested and provided loans mainly to companies in Privi Group (which is part of promoter group) as Mr Mahesh Babani who has majority shareholding in MSPL, is also the Managing Director and Chairman at Privi Speciality Chemicals Limited (MSCL). Out of the total investments portfolio of MSPL, ~96% is invested in Privi Group companies with the largest stake in Privi Speciality Chemicals Limited which contributed 96% of the investments as on March 31, 2024. As such, the repayment ability of the company is also dependent on the performance of the group companies.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Modest Profitability

As on March 31, 2024, the company's PAT stood at Rs 1.90 crore (FY23: Rs 1.62 crore) with total revenue of Rs 16.04 crore (FY23: Rs. 14.80 crore). The ROTA stands at 0.35% for FY24. In the absence of incremental earnings from the existing asset; the profitability shall be key monitorable.

Absence of predictable cash flow to repay the borrowings.

MSPL mainly invests in the group companies of Mr. Mahesh Babani and as such is dependent on these investments for repayments of dues. Further, the company generates its revenues from interest income, dividend income, gain on sale of investment and rent on its real estate holdings. As such, the current income streams will not be adequate to repay the borrowings and the company will have to be dependent on sale of some of its assets to repay the debt. Absence of predictable cash flows create uncertainty on raising funds in a timely manner for repayments.

Key strengths

Experienced senior management & resourceful promoter

Mr. Mahesh P Babani joined Privi Organics Limited in 1989 and is currently the Chairman & Managing Director of Privi Speciality Chemicals Limited (PSCL). PSCL is India's largest aroma chemical manufacturing company catering to the fragrance industry worldwide. The company's board is represented by 3 directors having experience in finance and chemical engineering. Mr Sanjeev Patil, the Chairman and Managing Director and Chemical Engineer from UDCT, Mumbai and MBA from Indian Institute of Management, Ahmedabad having 30 years of experience across financial services; private equity and speciality chemicals.

Liquidity: Stretched

The company's liquidity is supported by unencumbered cash and bank balance of Rs 0.72 crore as on March 31, 2024, against the repayment obligations for next 12 months at ~Rs 1 crore.

Environment, social, and governance (ESG) risks - Not applicable

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Non Banking Financial Companies](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Non Banking Financial Company (NBFC)

Incorporated in 1995, Mumbai based Money Mart Securities Private Limited (MSPL) is a Non-Banking Financial Company registered with RBI and primarily engaged in lending and related activities.. Mr Mahesh Babani (alongwith family) is the largest shareholder of Moneymart Securities Private Limited at ~95%. Mr Mahesh Babani is the chairman and Managing Director and promoter at Privi Specialiity Chemicals Limited. Privi Speciality Chemicals Limited (earlier known as Fairchem Speciality Limited) is a listed entity engaged in chemicals business. MSPL is one of the shareholders in Privi Speciality Chemicals Limited. MSPL provides loans to inter group companies and invests in the companies where Mr Mahesh Babani and Family are either shareholder or directors.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	Q1FY25
Total operating income	14.80	16.04	NA
PAT	1.62	1.90	NA
Overall Gearing (times)	0.32	0.34	NA
Total Assets	540.72	533.54	NA
Net NPA (%)	0.00	0.00	NA
ROTA (%)	0.25	0.35	NA

A: Audited; Note: 'the above results are latest financial results available'; NA – Not available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Non Convertible Debenture	INE0JHF08010	17-Nov-2021	5.00	09-Feb-2025	55.00	CARE BB-; Stable

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Debentures-Non Convertible Debentures	LT*	55.00	CARE BB-; Stable	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (17-May-24)	1)CARE BB; Stable (26-May-23)	1)CARE BB; Stable (30-May-22)	1)CARE BB; Stable (31-May-21)

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

LT: Long term;

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities – Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

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