

## Moneymart Securities Private Limited

May 17, 2024

Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Non Convertible Debentures	55.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Revised from CARE BB; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. has been seeking information from Moneymart Securities Private Limited to monitor the rating vide e-mail communications/letters dated April 02, 2024, May 13, 2024 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on Moneymart Securities Private Ltd.'s instruments will now be denoted as **CARE BB-; STABLE; ISSUER NOT COOPERATING\***.

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

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers:

The ratings have been revised on account of limited information available and MSPL's high dependency/ business inter-linkages with group companies.

### 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 (PSCL). 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 ~91% of the investments. As such, the repayment ability of the company is also dependent on the performance of the group companies.

#### Modest Profitability

The company's PAT stood at ₹ 1.62 crore as on March 2023 (FY22: ₹1.03 crore) on total revenue of ₹ 14.80 crore. Consequently, the ROTA has been declining from 4.98% for FY20 to 0.25% for FY23. During 9MFY24, the PAT of MSPL's stood at ₹ 1.42 crore on total revenue of ₹ 11.92 crore (as against ₹ 1.06 crore on a total revenue of ₹ 10.71 crore during 9MFY23). The marginal improvement is on account of growth in revenue for 9MFY24 which stood at Rs 11.92 crore as against Rs 10.71 crore for 9MFY23 (11% Y-O-Y). ROTA for FY23 stood at 0.25%.

#### 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.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

## 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.

## 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, 2022 (A)	March 31, 2023 (A)	9MFY24 (UA)
Total operating income	7.74	14.80	11.92
PAT	1.03	1.62	1.42
Overall Gearing (times)	0.09	0.32	NA
Total Assets	753.94	540.72	NA
Net NPA (%)	0.00	0.00	NA
ROTA (%)	0.25	0.25	NA

A: Audited UA: Unaudited; 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:** 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

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
Debentures-Non Convertible Debentures	INE0JHF08010	15-11-2021	5	10-02-2025	55.00	CARE BB-; Stable; ISSUER NOT COOPERATING*

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

### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument	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; ISSUER NOT COOPERATING*	-	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 – 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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### Disclaimer:

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