



Rating Rationale

Masuvic Indsup Pvt. Ltd.

15 Nov 2018

Brickwork Ratings assigns the ratings BWR B for the Bank Loan Facilities of ₹. 13.71 Crores of Masuvic Indsup Pvt. Ltd..

Particulars

Issue	Present Amount Rated (₹ Crs)	Tenure	Rating*
Fund Based Term Loan	3.25	Long Term	BWR B (Pronounced as Single B) Outlook: Stable
OverDraft	10.46		
Total	13.71	INR Thirteen Crores and Seventy One Lakhs Only	

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has relied upon the three years of audited financial results of the firm upto FY18, publicly available information and information/clarifications provided by the management of Masuvic Indsup Pvt Ltd.

The rating draws strength from the growth potential of the Autoclaved Aerated Concrete Blocks industry in India. These strengths are offset by its commercial operations not being started and small scale of potential operations.

Description of Key Rating Drivers

Credit Strengths:

- **Autoclaved Aerated Concrete Blocks is a high growth industry:** Positive demand outlook for AAC blocks on account of increased acceptance of the product in the Indian market.

Credit Risks:

- **Small Scale of Operations:** MIPL has reported revenue of Rs. 73000 and 23 lakhs in FY 16 and 17 respectively. This was earned from sale of Gaskets and Wooden Doors. From FY 19, the Company has shifted this activity to a sister concern and will be concentrating on manufacturing construction materials from. In H1 FY19, the revenue of the Company has been nil.

- **Commercial Operations:** MIPL has not yet started manufacturing of AAC blocks or other construction materials due to delay in installation of machinery.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Outlook: *STABLE*

BWR believes the business risk profile of **Masuvic Indsup Pvt. Ltd.** will be maintained over the medium term. The ‘Stable’ outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Masuvic Indsup Pvt Ltd was established in 2015 and is engaged in manufacturing of Autoclaved Aerated Concrete Blocks (AAC) that find application in the real estate sector. The various other products manufactured by the Company are Putty, Bond and Plast etc. MIPL sells its products under the Brand Name “Nexrise”.

There are seven directors in the Company and they are also engaged in the Wood Packaging Industry.

Its manufacturing facility is located at Kora Industrial Area with an installed capacity of 1,22,000 cubic metres per annum. The Company is yet to commence commercial production and expects to operate at 60-70% capacity for the first two years of operations.

Company Financial Performance

In FY2018, the Company reported an operating income of Rs. 46 lakhs with a net profit of Rs. 1.11 lakh. In FY2017, the Company reported an operating income of Rs. 22 lakhs with a net profit of Rs. 958. This income was generated from trading of gaskets and manufacturing of wooden doors. In FY19 MIPL has shifted these operations to its sister concern and has not generated any revenue in H1 FY19.

Key Financial Indicators

Key Parameters	Units	2018	2017
Result Type			
Operating Revenue	₹ Cr	0.46	0.22
EBITDA	₹ Cr	0.017	0.0040
PAT	₹ Cr	0.011	0.0002
Tangible Net worth	₹ Cr	3.01	0.01
Total Debt/Tangible Net worth	Times	0.63	0.12



Current Ratio	Times	3.08	2.48
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Rating History for the last three years

S.No	Instrument /Facility	Current Rating			Rating History		
		Type	Amount (₹ Crs)	Rating	2017	2016	2015
	Fund Based Term Loan	Long Term	10.46	B	Not Rated		
	Overdraft	Long Term	3.25				
	Total		13.71	₹ Thirteen Crores and Seventy One Lakhs Only			

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI



and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 13,22,500 Cr. In addition, BWR has rated over 7000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹62,000 Cr have been rated.

BWR has rated over 30 PSUs/Public Sector banks, as well as many major private players. BWR has a major presence in ULB rating of nearly 102 cities

DISCLAIMER

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