

MRL Posnet Private Limited

April 13, 2018

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
NCD	5.00	5.00	[ICRA]BBB-(Stable); withdrawn
NCD - Proposed	3.00	3.00	[ICRA]BBB-(Stable); withdrawn
Total	8.00	8.00	

Rating action

ICRA has withdrawn the long-term rating of [ICRA]BBB- (pronounced ICRA triple B minus) with a stable outlook assigned to the Rs. 5.00-crore¹ non-convertible debenture programme and Rs. 3.00-crore proposed NCD programme of MRL Posnet Private Limited (MRL)².

Rationale

The rating for the Rs. 8.00 crore NCD programme has been withdrawn, as there are no amounts outstanding against the rated instrument.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

[ICRA Policy on Withdrawal and Suspension of Credit Rating](#)

About the company:

Incorporated in 2008, MRL Posnet Private Limited is an information technology-driven Point-Of-Sale (POS) transaction facilitator partnering with institutions providing payment acceptance networks. The company was promoted by Mr. Kishore K Kothapalli and operates through its offices in Hyderabad and Chennai. MRL manages millions of transactions under a tie-up with public sector/private sector banks and various other corporates. MRL's client base includes Corporation Bank, Karur Vysya Bank, Karnataka Bank, Tamilnad Mercantile Bank, Indian Bank, Vijaya Bank, etc.

Prior to incorporating MRL Posnet Private Limited, the promoter was involved in retail and real-estate business, albeit on a smaller scale. The Promoter and Managing Director, Mr. Kishore Kothapalli, is responsible for the overall control of the company and the Chief Executive Officer, Mr. Pratap Pingali, is responsible for the day to day operations. The company is professionally managed with the delegation of powers as per a defined organisational structure.

The company reported a net profit of Rs. 10.9 crore on an operating income of Rs. 125.7 crore in FY2017 compared to a net profit of Rs. 1.5 crore on an operating income of Rs. 41.4 crore in the previous year.

¹ 100 lakh = 1 crores = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications

Key Financial Indicators (Audited)

	FY 2016	FY 2017
Operating Income (Rs. crore)	41.4	125.7
PAT (Rs. crore)	1.5	10.9
OPBDIT/ OI (%)	20.7%	21.9%
RoCE (%)	14.4%	32.2%
Total Debt/ TNW (times)	0.9	2.4
Total Debt/ OPBDIT (times)	1.6	2.3
Interest coverage (times)	4.7	5.9
NWC/ OI (%)	15.4%	15.7%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2019)					Chronology of Rating History for the past 3 years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
				Apr 2018	Aug 2017	Aug 2016	-
1 NCD	Long Term	5.00	-	[ICRA]BBB-(Stable) withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	-
2 Proposed NCD	Long Term	3.00	-	[ICRA]BBB-(Stable) withdrawn	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE530V0819	NCD	Aug-2016	15.74%	Aug-2019*	5.00	[ICRA]BBB-(Stable) withdrawn
NA	Non-Fund based	-	-	-	3.00	[ICRA]BBB-(Stable) withdrawn

Source: MRL Posnet Private Limited; *pre-closed in Dec 2017

ANALYST CONTACTS

Mr. K Ravichandran

+91 44 4596 4301

ravichandran@icraindia.com

Mr. Srinivasan R

+91 44 4596 4315

r.srinivasan@icraindia.com

Ms. Dharanija R

+91 44 4297 4311

dharanija.r@icraindia.com

Ms. Ankita Vasa

+91 80 4922 5513

ankita.sheth@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

naznin.prodhani@icraindia.com

Helpline for business queries:

+91-124-2866928 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 6606 9999

© Copyright, 2018 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents