



## Press Release

### Magnifico Minerals Private Limited

August 17, 2020

#### Ratings

| Instrument / Facility                     | Amount (INR Crore)                                    | Ratings                        | Rating Action  |
|---|---|--------------------------------|--|
| Long Term Fund Based Limits – Cash Credit | 35.00 (including proposed limits of INR 4.00 Crore)   | IVR D; ISSUER NOT COOPERATING* | Re-affirmed at IVR D; ISSUER NOT COOPERATING*        |
| Short Term Non-Fund Based Limits – LC     | 365.00 (including proposed limits of INR 27.00 Crore) | IVR D; ISSUER NOT COOPERATING* | Rating re-affirmed to IVR D; ISSUER NOT COOPERATING* |
| <b>Total</b>                              | <b>400.00</b>   |                                |  |

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

#### Details of Facility are in Annexure 1

#### Detailed Rationale

The aforesaid rating affirmation to the bank facilities of Magnifico Minerals Private Limited continues to reflect lack of adequate information/updates about the performance of the company and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the rating revision.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated July 14, 2020; July 21, 2020; July 25, 2020 and concurrently over several phone calls. However,



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despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term ratings for the bank loan facilities aggregating to INR 400.00 Crore (including proposed limit of INR 31.00 Crore) of Magnifico Minerals Private Limited shall be re-affirmed to the 'ISSUER NOT COOPERATING' category by Infomerics and the revised rating be noted as 'IVR D' Issuer Not Co-operating; based on best available information (IVR D, Issuer Not Co-operating); based on best available information

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

### **Analytical Approach & Applicable Criteria**

- Guidelines on what constitutes Non-Cooperation by clients
- Criteria on Default Recognition and Post-Default Curing Period

### **About the Company**

Magnifico Minerals Private Limited (MMPL) was incorporated in August 2012 to carry on in India, or elsewhere, the business of trading of coal, coke, fly ash, Iron ore etc. The company has its presence in two major ports – Navlakhi port and Mangalore port. The company is purchasing coal majorly from Australia, South Africa and Indonesia.

### **Financials (Standalone)**

At the time of last rating, client had submitted Audited financial statements for FY18. Key financials of the company for FY17 and FY18 have been provided below:

(INR Crore)

| For the year ended / As on | 31-03-17       | 31-03-18       |
|----------------------------|----------------|----------------|
|                            | <b>Audited</b> | <b>Audited</b> |
| Total Operating Income     | 1784.60        | 1567.09        |



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| For the year ended / As on | 31-03-17 | 31-03-18 |
|----------------------------|----------|----------|
| EBITDA                     | 18.70    | 19.84    |
| PAT                        | 3.40     | 3.32     |
| Total Debt                 | 40.10    | 27.09    |
| Tangible Net worth         | 160.60   | 163,90   |
| <b>Ratios</b>              |          |          |
| EBITDA Margin (%)          | 1.05     | 1.27     |
| PAT Margin (%)             | 0.19     | 0.21     |
| Overall Gearing Ratio (x)  | 0.25     | 0.17     |

\* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: N.A.

Any other information: N.A.

### Rating History for last three years:

| Sl. No | Name of Instrument/Facilities             | Current Rating (Year 2020-21) |   |                                | Rating History for the past 3 years        |   |   |
|--------|---|-------------------------------|---|--------------------------------|--|---|---|
|        |   | Type                          | Amount outstanding (INR Crore)                      | Rating                         | Rating assigned in 2019-20 (July 22, 2019) | Rating assigned in 2018-19 (March 27, 2019) | Rating assigned in 2017-18 (March 20, 2018) |
| 1.     | Long Term Fund Based Limits – Cash Credit | Long Term                     | 35.00 (including proposed limits of INR 4.00 Crore) | IVR D, ISSUER NOT COOPERATING* | -  | IVR D, ISSUER NOT COOPERATING*              | IVR A- /Stable Outlook#                     |



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|    |                                       |            |   |                                |   |                                |         |
|----|---------------------------------------|------------|---|--------------------------------|---|--------------------------------|---------|
| 2. | Short Term Non-Fund Based Limits – LC | Short Term | 365.00 (including proposed limits of INR 27.00 Crore) | IVR D, ISSUER NOT COOPERATING* | - | IVR D, ISSUER NOT COOPERATING* | IVR A2+ |
|----|---------------------------------------|------------|---|--------------------------------|---|--------------------------------|---------|

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

*#Rating based on Group approach*

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

### Name and Contact Details of the Rating Analyst:

|  |   |
|--|---|
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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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### Annexure 1: Details of Facility

| Name of Facility                          | Date of Issuance | Coupon Rate/IRR | Maturity Date | Size of Facility (INR. Crore)                         | Rating Assigned/ Outlook       |
|---|------------------|-----------------|---------------|---|--------------------------------|
| Long Term Fund Based Limits - Cash Credit | NA               | NA              | NA            | 35.00 (including proposed limit of INR 4.00 Crore)    | IVR D, ISSUER NOT COOPERATING* |
| Short Term NonFund Based Facilities - LC  | NA               | NA              | NA            | 365.00 (including proposed limits of Rs. 27.00 crore) | IVR D, ISSUER NOT COOPERATING* |

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