

Magnum Steels Limited

August 12, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	20.00	CARE C; Stable; ISSUER NOT COOPERATING* (Single C; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B-; Stable; (Single B Minus; Outlook: Stable)
Total Bank Facilities	20.00 (₹ Twenty Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated June 30, 2021, placed the rating(s) of Magnum Steels Limited (MSL) under the 'issuer non-cooperating' category as MSL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. MSL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 16, 2022, May 26, 2022, June 05, 2022.

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.

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

The ratings assigned to the bank facilities of MSL have been revised on account of non-availability of requisite information. The ratings also consider decline in scale of operations to zero level as well as increase in net loss during FY21 compared to FY20.

Detailed description of the key rating drivers

Please refer to PR dated [June 30, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on Default Recognition](#)

[Criteria on Assigning Outlook or Credit Watch](#)

About the Company

Delhi-based MSL is a closely held public limited company and was incorporated in January, 1991. MSL is currently promoted by Mr. Rajat Jindal, Mr. Shashi Prabha Jindal, Mr. Ishwar Chand Jindal, Mr. Chander Sain Yadav and Mr. Amar Singh Rathor. MSL is engaged into manufacturing of TMT bars, spring steel flats, steel castings DRI Sponge etc. The products manufactured by MSL finds application in construction industry, automobile industry and other heavy engineering industries.

Brief Financials (₹ crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	0.48	0.00	NA	NA
PBILD	-1.99	-3.25	NA	NA
PAT	-1.88	-3.60	NA	NA
Overall gearing (times)	0.02	0.02	NA	NA
Interest coverage (times)	NM	NM	NA	NA

A – Audited, Prov. – Provisional, NA – Not Applicable, NM – Not meaningful

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: Please refer Annexure-3

Complexity level of various instruments rated for this company: Please refer Annexure-4

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

*Issuer did not cooperate; Based on best available information

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	September, 2024	14.00	CARE C; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	-	6.00	CARE C; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	14.00	CARE C; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (30-Jun-21)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (14-May-20)	-
2	Fund-based - LT-Cash Credit	LT	6.00	CARE C; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (30-Jun-21)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (14-May-20)	-

*Issuer did not cooperate; Based on best available information

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

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Bank lender details for this company

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

Note on 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

Media Contact

Name – Mr. Mradul Mishra
Contact no. - +91-22-6754 3596
Email ID - mradul.mishra@careedge.in

Analyst Contact

Name - Shachee Nakul Vyas
Contact no. - 91-079-40265665
Email ID - shachee.tripathi@careedge.in

Relationship Contact

Name -Swati Agrawal
Contact no. - 91-11-45333237
Email ID: swati.agrawal@careedge.in

About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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