

Magnum Aviation Private Limited

July 07, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	9.50	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B-; Stable; (Single B Minus; Outlook: Stable)
Short Term Bank Facilities	8.50	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4; (A Four)
Total Bank Facilities	18.00 (Rs. Eighteen Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated March 30, 2021, placed the rating(s) of Magnum Aviation Private Limited (MAPL) under the 'issuer non-cooperating' category as MAPL 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. MAPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated March 16, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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 rating assigned to the bank facilities of MAPL have been revised on account of on-going delays in debt servicing recognized from publicly available information.

Detailed description of the key rating drivers

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

Analytical approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

About the Company

Incorporated in 2002, Magnum Aviation Private Limited (MAPL) is promoted by Mr. Vishal Varshnei and Ms Manvi Varshnei. MAPL is engaged in the trading of aircraft spares such as aircraft wheels, brakes, avionics, propeller hoses, lubricants etc. Additionally, the company also provides Maintenance, Repair & Overhaul (MRO) services for the aircraft components and has its service facility located in Special Economic Zone of Noida, Uttar Pradesh. MAPL caters to the need of both civil and military aircraft customers in overseas markets as well as in domestic markets. The company has collaborated with various original equipment manufacturers (OEM's) of various aircraft components for the procurement of the products. The company procures the products directly from these OEMs and is an authorized distributor for the supply and service of their products.

Brief financials of MAPL:

Brief Financials (Rs. crore)	FY19(A)	FY20(A)
Total operating income	50.53	74.44
PBILD	5.20	5.68
PAT	1.00	1.56
Overall gearing (times)	4.45	2.90
Interest coverage (times)	1.82	2.43

A: Audited

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Complexity level of various instruments rated for this company: Annexure-3

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	9.50	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-Bank Overdraft	-	-	-	7.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantees	-	-	-	1.00	CARE D; 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 (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Cash Credit	LT	9.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (30-Mar-21)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (26-Feb-20)	1)CARE B; Stable (22-Feb-19) 2)CARE B; Stable (15-Oct-18)
2.	Fund-based - ST-Bank Overdraft	ST	7.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (30-Mar-21)	1)CARE A4; ISSUER NOT COOPERATING* (26-Feb-20)	1)CARE A4 (22-Feb-19) 2)CARE A4 (15-Oct-18)
3.	Non-fund-based - ST-Bank Guarantees	ST	1.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (30-Mar-21)	1)CARE A4; ISSUER NOT COOPERATING* (26-Feb-20)	1)CARE A4 (22-Feb-19) 2)CARE A4 (15-Oct-18)

**Issuer did not cooperate; Based on best available information*

Annexure-3: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - ST-Bank Overdraft	Simple
3.	Non-fund-based - ST-Bank Guarantees	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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