

June 16, 2023

Magnasoft Consulting India Private Limited: Long Term Rating downgraded based on best available information; Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	13.00	13.00	[ICRA]B; ISSUER NOT COOPERATING*; Downgraded from [ICRA]B+; ISSUER NOT COOPERATING, outlook revised from Negative to Stable and continues to remain under 'Issuer Not Cooperating' category.
Long Term-Fund Based-Term Loan	2.00	2.00	[ICRA]B; ISSUER NOT COOPERATING*; Downgraded from [ICRA]B+; ISSUER NOT COOPERATING, outlook revised from Negative to Stable and continues to remain under 'Issuer Not Cooperating' category.
Total	15.00	15.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Magnasoft Consulting India Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. 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 downgrade.

As part of its process and in accordance with its rating agreement with Magnasoft Consulting India Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance and ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	NA

About the company

Incorporated in 2000, Magnasoft Consulting Private Limited (MCPL) is a small-sized Information Technology (IT) company offering Geographic Information System (GIS) based solutions across service and product offerings such as laser scanning, and 3D modelling, spatial solutions development, digital photogrammetry, spatial data management and engineering services primarily to aid engineering & consultancy firms in aerial & land survey, GIS mapping, etc. (which in turn cater to end customers such as Government, oil & gas, telecom and mining companies). The company primarily caters to clients based in Americas, Europe, Africa and Middle East among others across vertical sectors such as energy, transportation and water & land administration. The company also has its presence in product lines: NorthStar - which is an integrated school bus & child safety system that uses a hybrid of technologies including GPS, GPRS, RFID, webcam and CCTV that works on cloud computing platform, and Toggr – which is a wearable child wrist watch currently in POC phase.

Headquartered in Bangalore, the company has two wholly owned subsidiaries in USA and London. The company was founded by Mr. Bobbie H Kalra and is a subsidiary of Coffee Day Trading Limited (erstwhile Global Technology Ventures Limited), a Bangalore-based venture investment company, which is part of the Coffee Day Group that operates the coffee retail chain under the brand name “Café Coffee Day”. CDTL holds 77.88% stake in Magnasoft Consulting India Private Limited.

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years					
	Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2021	Date & Rating in FY2020			
				Jun 16, 2023	May 25, 2022	Mar 26, 2021	Sep 18, 2019	Aug 13, 2019	Jul 31, 2019	
1	Cash Credit	Long Term	13.00	-	[ICRA]B (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Negative); ISSUER NOT COOPERATING	[ICRA]B+ (Negative); ISSUER NOT COOPERATING	[ICRA]B+ (Negative) ISSUER NOT COOPERATING	[ICRA]BB+ (SO) (Negative)	[ICRA]BBB+ (SO) @
2	Term Loan	Long Term	2.00	-	[ICRA]B (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Negative); ISSUER NOT COOPERATING	[ICRA]B+ (Negative); ISSUER NOT COOPERATING	[ICRA]B+ (Negative) ISSUER NOT COOPERATING	[ICRA]BB+ (SO) (Negative)	[ICRA]BBB+ (SO) @

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	13.00	[ICRA]B (Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	2.00	[ICRA]B (Stable); ISSUER NOT COOPERATING

Source: Magnasoft Consulting India Private Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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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.

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