

Press Release

Laxmi Pipes Limited

March 10, 2021



Rating Update

Total Bank Facilities Rated*	Rs.23.50 Cr. #
Long Term Rating	ACUITE BB (Downgraded from BB+/ Negative) Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB**' (**read as ACUITE Double B**) from '**ACUITE BB+**' (**read as ACUITE double B plus**) on the Rs.23.50 Cr. bank facilities of Laxmi Pipes Limited (LPL). The rating is now an indicative rating and is based on the best available information.

About the company

Laxmi Pipes Limited (LPL), incorporated in 1984, is Haryana based company engaged in the business of manufacturing of Black and Galvanized Tubes and Pipes and sell the same under the brand named as "Singal India". The key raw material for the manufacturing of Galvanized Pipes is HR Coils. The company commenced manufacturing of same in 1987, whereas routine operations of the company are managed by Mr. Pawan Singla and Mr. Sandeep Singla.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities in Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité has endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon.

Rating Sensitivities

No information provided by the issuer / available for Acuité to comment upon.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
14-Feb-2020	Cash Credit	Long Term	21.25	ACUITE BB+/ Negative (Reaffirmed)
	Term Loan	Long Term	2.25	ACUITE BB+/ Negative (Reaffirmed)
24-Dec-2019	Cash Credit	Long Term	21.25	ACUITE BB+/ Negative (Downgraded from BBB-/Stable)
	Term Loan	Long Term	2.25	ACUITE BB+/ Negative (Downgraded from BBB-/Stable)
15-Oct-2018	Cash Credit	Long Term	18.50	ACUITE BBB-/ Stable (Upgraded from BB+/Stable)
	Term Loan	Long Term	3.24	ACUITE BBB-/ Stable (Upgraded from BB+/Stable)
	Proposed Long Term Loan	Long Term	1.76	ACUITE BBB-/ Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	21.25	ACUITE BB (Downgraded from BB+/ Negative) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	2.25	ACUITE BB (Downgraded from BB+/ Negative) Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,563 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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