

Press Release

Laxmi Pipes Limited

June 08, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	23.50	ACUITE BB Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	23.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE Double B**) from on the Rs.23.50 Cr. bank facilities of Laxmi Pipes Limited (LPL). The rating continues to be 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:

Acuite 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. Acuite 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.

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). Acuite has endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

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

Rating Sensitivity

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not Applicable.

Status of non-cooperation with previous CRA

Not Applicable.

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of 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>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Mar 2021	Term Loan	Long Term	2.25	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	21.25	ACUITE BB (Downgraded and Issuer not co-operating*)
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	Term Loan	Long Term	2.25	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	21.25	ACUITE BB+ Negative (Downgraded from ACUITE BBB- Stable)
15 Oct 2018	Term Loan	Long Term	3.24	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	18.50	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Proposed Long Term Loan	Long Term	1.76	ACUITE BBB- Stable (Assigned)
13 Oct 2017	Cash Credit	Long Term	18.50	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	4.75	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.25	ACUITE BB+ Stable (Reaffirmed)
04 Oct 2017	Cash Credit	Long Term	15.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	4.75	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.25	ACUITE BB+ Stable (Reaffirmed)

25 Jul 2016	Cash Credit	Long Term	15.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	4.75	ACUITE BB+ Stable (Assigned)
	Proposed Working Capital Demand Loan	Long Term	0.25	ACUITE BB+ Stable (Assigned)
02 Nov 2015	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
20 Jan 2015	Cash Credit	Long Term	10.00	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	21.25	ACUITE BB Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	2.25	ACUITE BB Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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