

Press Release
Laxmi Pipes Limited

November 24, 2022



Rating Downgraded and Issuer not co-operating

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Total Withdrawn Quantum (Rs.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

Rating Rationale

Acuite has downgraded the long-term rating to **'ACUITE D' (read as ACUITE D)** from **'ACUITE BB' (read as ACUITE double B)** on the Rs.23.50 Cr. bank facilities of Laxmi Pipes Limited (LPL). The rating downgraded is on account of information risk required for review of ratings. The rating continues to be an indicative rating, and is based on the best available information.

The downgrade is on the basis on the report about the ongoing delays in their repayments.

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 noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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 endeavored 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

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

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

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Jun 2022	Cash Credit	Long Term	21.25	ACUITE BB (Issuer not co-operating*)
	Term Loan	Long Term	2.25	ACUITE BB (Issuer not co-operating*)
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)

Annexure - Details of instruments rated

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

Contacts

Analytical	Rating Desk
Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	

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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