

## Press Release

Lakshmi Galaxy Enterprises

February 13, 2023



### Rating Reaffirmed and Issuer not co-operating

| Product                            | Quantum<br>(Rs. Cr) | Long Term Rating                                  | Short Term Rating                                 |
|------------------------------------|---------------------|---------------------------------------------------|---------------------------------------------------|
| Bank Loan Ratings                  | 4.70                | ACUITE B+   Reaffirmed   Issuer not co-operating* | -                                                 |
| Bank Loan Ratings                  | 6.86                | -                                                 | ACUITE A4   Reaffirmed   Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 11.56               | -                                                 | -                                                 |

### Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 11.56 crore bank facilities of Lakshmi Galaxy Enterprises (LGE). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

### About the Company

Andhra Pradesh based, Lakshmi Galaxy Enterprises (LGE) was incorporated as a proprietorship concern by Mr. S Lakshmi Padmavathi in 2004. It is engaged in trading and processing of granite slabs. The company has its processing unit in the city of Ongole (Andhra Pradesh). The firm majorly exports granite slabs to China.

### 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 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

Not Applicable

## Liquidity Position

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

## Outlook

Not Applicable

## Other Factors affecting Rating

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

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities | Term       | Amount (Rs. Cr) | Rating/Outlook                       |
|-------------|--------------------------------|------------|-----------------|--------------------------------------|
| 15 Nov 2021 | Packing Credit                 | Short Term | 1.50            | ACUITE A4 (Issuer not co-operating*) |
|             | Bills Discounting              | Short Term | 1.00            | ACUITE A4 (Issuer not co-operating*) |
|             | Proposed Bank Facility         | Long Term  | 0.26            | ACUITE B+ (Issuer not co-operating*) |
|             | Cash Credit                    | Long Term  | 3.50            | ACUITE B+ (Issuer not co-operating*) |
|             | Letter of Credit               | Short Term | 0.56            | ACUITE A4 (Issuer not co-operating*) |
|             | Term Loan                      | Long Term  | 0.94            | ACUITE B+ (Issuer not co-operating*) |
|             | Letter of Credit               | Short Term | 3.80            | ACUITE A4 (Issuer not co-operating*) |
| 21 Aug 2020 | Term Loan                      | Long Term  | 0.94            | ACUITE B+ (Issuer not co-operating*) |
|             | Letter of Credit               | Short Term | 3.80            | ACUITE A4 (Issuer not co-operating*) |
|             | Bills Discounting              | Short Term | 1.00            | ACUITE A4 (Issuer not co-operating*) |
|             | Proposed Bank Facility         | Long Term  | 0.26            | ACUITE B+ (Issuer not co-operating*) |
|             | Packing Credit                 | Short Term | 1.50            | ACUITE A4 (Issuer not co-operating*) |
|             | Letter of Credit               | Short Term | 0.56            | ACUITE A4 (Issuer not co-operating*) |
|             | Cash Credit                    | Long Term  | 3.50            | ACUITE B+ (Issuer not co-operating*) |

## Annexure - Details of instruments rated

| Lender's Name    | ISIN           | Facilities                       | Date Of Issuance | Coupon Rate    | Maturity Date  | Complexity Level | Quantum (Rs. Cr.) | Rating                                                     |
|------------------|----------------|----------------------------------|------------------|----------------|----------------|------------------|-------------------|------------------------------------------------------------|
| Karur Vysya Bank | Not Applicable | Bills Discounting                | Not Applicable   | Not Applicable | Not Applicable | Simple           | 1.00              | ACUITE A4<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Karur Vysya Bank | Not Applicable | Cash Credit                      | Not Applicable   | Not Applicable | Not Applicable | Simple           | 3.50              | ACUITE B+<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Karur Vysya Bank | Not Applicable | Letter of Credit                 | Not Applicable   | Not Applicable | Not Applicable | Simple           | 0.56              | ACUITE A4<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Karur Vysya Bank | Not Applicable | Letter of Credit                 | Not Applicable   | Not Applicable | Not Applicable | Simple           | 3.80              | ACUITE A4<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Karur Vysya Bank | Not Applicable | PC/PCFC                          | Not Applicable   | Not Applicable | Not Applicable | Simple           | 1.50              | ACUITE A4<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Not Applicable   | Not Applicable | Proposed Long Term Bank Facility | Not Applicable   | Not Applicable | Not Applicable | Simple           | 0.26              | ACUITE B+<br> <br>Reaffirmed<br>  Issuer not co-operating* |
| Karur Vysya Bank | Not Applicable | Term Loan                        | Not available    | Not available  | Not available  | Simple           | 0.94              | ACUITE B+<br> <br>Reaffirmed<br>  Issuer not co-operating* |

## Contacts

| Analytical                                                                                                                                                                                                                                                                         | Rating Desk                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Pooja Ghosh<br>Vice President-Rating Operations<br>Tel: 022-49294041<br><a href="mailto:pooja.ghosh@acuite.in">pooja.ghosh@acuite.in</a><br><br>Abhishek Singh<br>Analyst-Rating Operations<br>Tel: 022-49294065<br><a href="mailto:abhishek.s@acuite.in">abhishek.s@acuite.in</a> | Varsha Bist<br>Senior Manager-Rating Operations<br>Tel: 022-49294011<br><a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a> |

### 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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