

Press Release

Lagan Engineering Company Limited

February 24, 2020



Rating Update

Total Bank Facilities Rated*	Rs.12.00 Cr.#
Long Term Rating	ACUITE B- Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details

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

Acuité has reviewed long-term rating to '**ACUITE B-**' (**read as ACUITE B minus**) and short term rating to '**ACUITE A4**' (**read as ACUITE A four**) on the Rs.12.00 crore bank facilities of Lagan Engineering Company Limited (LECL) . This rating is now an indicative rating and is based on best available information.

Lagan was set up in 1955 by James Mackie & Sons, Belfast, Northern Ireland, for manufacturing Jute Machineries. It was run under the Government of India from 1978 to 2000 and acquired by Kajaria family in 2000. It is engaged in manufacturing of Jute Machinery's like spreaders, carding and drawing machines, spinning and twisting frames. It's mainly sells its products in West Bengal and also exports to Bangladesh. It has manufacturing unit in Hooghly district of West Bengal and administrative office in Kolkata.

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 due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios and Adjustments-<https://www.acuite.in/criteria-fin-ratios.htm>
- Entities in manufacturing sector- <https://www.acuite.in/view-rating-criteria-4.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 endeavored 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest Financial Statements despite repeated attempts.

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

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
17-Dec-2018	Cash Credit	Long Term	5.50	ACUITE B-/Stable (Upgrade from ACUITE D)
	Term Loan	Long Term	3.86	ACUITE B-/Stable (Upgrade from ACUITE D)
	Proposed Term Loan	Long Term	1.14	ACUITE B-/Stable (Upgrade from ACUITE D)
	Bank Guarantee	Short Term	1.00	ACUITE A4 (Upgrade from ACUITE D)
	Letter of Credit	Short Term	0.50	ACUITE A4 (Upgrade from ACUITE D)
27-Dec-2017	Cash Credit	Long Term	5.50	ACUITE D (Assigned)
	Term Loan	Long Term	3.86	ACUITE D (Assigned)
	Proposed Term Loan	Long Term	1.14	ACUITE D (Assigned)
	Bank Guarantee	Short Term	1.00	ACUITE D (Assigned)
	Letter of Credit	Short Term	0.50	ACUITE D (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE B-/Stable Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.86	ACUITE B-/Stable Issuer not co-operating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	1.14	ACUITE B-/Stable Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile ACUITE Ratings 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 6,000 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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