

Press Release

Laxmi Steels

July 08, 2020

Rating Update



Total Bank Facilities Rated*	Rs.7.00 Cr. #
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+ / Stable) 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.7.00 crore bank facilities of Laxmi Steels. This rating is now an indicative rating and is based on best available information.

Laxmi Steels (LS) was established in 1996-97 as a proprietorship firm by Ashok Patel which is supported by his son Mr. Preetam Patel, who is having an experience of 18 years in the similar line of business. The firm is engaged in trading of steel and steel products i.e. M.S. Plates, Iron and steel craps, Sheets, Rounds, Square plates, steel scrap, round, angles, channels and pipes. It caters to various players such as steel manufacturers, real estate and ancillary units. The firm operates from Bhopal, Madhya Pradesh.

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- 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 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 requests.

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

Not Applicable

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
27-Apr-2019	Cash Credit	Long Term	7.00	ACUITE BB+ / Stable (Downgraded)
28-Mar-2019	Cash Credit	Long Term	7.00	ACUITE BBB- (Indicative)
11-Jan-2018	Cash Credit	Long Term	7.00	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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB (Downgraded from ACUITE BB+ / Stable) 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 (*erstwhile SMERA 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 8,200 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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